THE FINANCIAL POST

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APPARENT CHANGE IN ATTITUDE OF KING GOVERNMENT

Prov. Governments Also Seem to be Taking Business Into Account

DISREGARDS ECONOMY

Premier Promises Adjustment in Freight Rates—No Tariff Changes—Is Government Alarmed?

This week has been marked by two favorable developments of major importance to the whole industrial outlook in Canada. The first was the change of attitude, if not of heart, towards business announced by the Prime Minister. The other, the definite stand by the governments of Quebec and Ontario against the export of electric power. The Dominion Government can hardly disregard the strong pronouncement by the prime ministers of these two provinces although great pressure is being brought to bear on them by interested parties to permit export of power from Carillon Falls.

From the day of his election over three years ago until the present, Hon. Mackenzie King has more or less turned his back on and to a great extent neglected the serious business interests of the country, while he carried on flirtations with the Progressive group and showed special favors to United States interests. There has been no serious attempt to reduce national expenditures and that they have not greatly increased the nation has no reason to thank the government and is deeply indebted to our Senatorial bulwarks. Taxation instead of being decreased has been increased and a national, broad, constructive business policy has not only been lacking, but there has been a persistent support given to policies that aided United States rather than Canadian interests.

The forces working to create discontent, dis-unity and setting class against class have been given a free hand and encouraged. One of the first steps of the Liberal Government on coming into power was to curb the efforts of the National police and plan for their disbandment. But thanks to the sanity of Sir Lomer Gouin, supported by the sound sense of the French Canadians that move was blocked.

Notwithstanding all these and other handicaps and some bad crops and low prices, Canadian business has kept up remarkably well because of our great natural resources and the hard, intelligent work of the Canadian people. But industrial development has been practically at a standstill. Important factories have been closing—important branch plants from the United States among them—discouraged over the treatment of business and fearing the ministerial threats of wiping out every vestige of protection.

It must be admitted that Mr. King has had an unusually difficult task. He inherited a mighty rotten state of affairs from a mighty rotten government—for which his predecessor, Hon. Mr. Meighen, was not to blame; and Mr. King, with a majority of only one, unnecessarily harassed when he should have been supported in many matters by the Conservatives, has had to play the pettiest of petty politics to keep himself in office. He has had to make concessions to parties and sections to get votes in the House and to constituencies to win by-elections.

It must be admitted that in his reductions in duties and in his exactions on big business he has carried the country with him. Manufacturers in particular, and to some extent the banking interests, have been unfortunate in their representatives and representations. This situation was recognized by both interests last year. The bankers have improved their situation immensely, but so far the manufacturers have permitted misunderstandings to go on.

What brought about this very important change of attitude on the part of the government? Undoubtedly the Prime Minister's tour of the West—and a sudden realization of the seriousness of the national situation, with lack of progress, high taxation, falling revenues and the necessity for immediate action of a constructive nature. In the West and in the by-elections he must have learned that notwithstanding all the favors he has heaped upon them at the national expense, he has not been able to buy the support of the Progressives. Moreover, while they may differ over their sectional or class interests, they are as a whole at heart Canadians and British first, though their agitators are as foolish in their utterances as the self-appointed spokesmen who misrepresent the manufacturers.

That the government regarded the Premier's speech as one of outstanding importance was shown by the fact that perhaps never before in

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Good Service to Tourists Brings Big Extra Profit

VANCOUVER.—Breaking all records for tourist travel on the Pacific Coast the Vancouver Publicity Bureau has just issued figures showing that 86,829 foreign cars entered the city during 1924. The majority of these were American motors and practically every state in the Union was represented. The figures denote an increase of some 36 per cent. over the record of 1923 when 60,902 cars entered through the various customs ports close to the city. These figures are authentic, being obtained from the customs and immigration offices situated on the boundary.

One phase of the case is that these cars averaged four persons per car and stayed 3.8 days apiece, which would make nearly 1,200,000 tourist days or four times the population of the city had every person come on one day. Last year they stayed 3.2 days. This increase of six-tenths of a day seems small until you realize that in 1924 it meant an increase of $2,899,900 left in Vancouver by the tourists.

Vancouver is planning an even bigger campaign this year than was waged last summer and extensive advertising will be carried on, under the direction of J. R. Davison, the manager, in California and adjacent states.

FORGING MORTGAGE IS LATEST CRIME

Several Cases Which Are Receiving Serious Attention of Mortgage Companies

Forging of mortgages is one of the latest forms of activity on the part of get-rich-easy adventurers. Recently there have been several cases encountered where bogus documents have been successfully employed in the raising of money.

One method which has proven successful has been in the forgery of the mortgage discharge. In one case a mortgage was properly secured on certain property. Then a discharge of the mortgage was forged and duly registered. The next step was to borrow on another mortgage and so long as interest was paid on both mortgages there was little chance of having the misrepresentation detected. The exposure came when the property was sold.

In another case a mortgage loan was secured by Mr. A on property owned by Mr. B. who had left the city. Mr. A forged the name of Mr. B and in this particular case was able to produce the title deeds to the property. Both first and second mortgages were taken out on the same property in this way and there was no detection until interest was not paid. The question arises in this case as to whether there was collusion between A and B.

The mortgage companies are giving serious consideration to the matter because there are rather serious difficulties involved in that as ordinary precautions have not proven effective it may be necessary to adopt more stringent regulations which would tend to interfere with satisfactory relations with clients. It may often prove embarrassing to demand proofs of identity or title of a character which would insure safety under any and all circumstances.

PROTECTION NEEDED IN SHIPBUILDING

Yards in Maritime Provinces in Particular Are Suffering Under Conditions

From Our Own Correspondent.

OTTAWA.—The shipbuilding industry is in a bad way and is asking for more protection, this being especially true of the yards in Eastern Canada. On the Pacific coast the yards seem to do better. At least there is more activity out there; but there is no doubt about the languishing state of those generally in the East.

There has been an increase during the last year or two in the amount of tonnage used for grain-carrying on the Great Lakes. As this statement relates to vessels on Canadian register, it might be expected that the most of them would have come from Canadian yards. But it has not been so. The British have been getting by far the greater proportion of this business. A foreign-built ship must pay a duty of 25 per cent. when imported for use in the Canadian trade, but a British-built ship is subject to no such charge. As owing to the lower scale of wages and supplies in Britain, vessels can be turned out cheaper in British than in Canadian yards, the former are getting the business.

The Canadian ship-builders are asking that their product receive the same protection that the ordinary products of Canadian industry receive against British products. They claim that on the grounds of equity they are at least entitled to this.

It is no secret that the home shipbuilding industry generally, which during the first few years after the war had such a promising future, is fading away badly. Some additions are being made to the registered tonnage, but the deductions for one cause or another outnumber the additions. It is argued that, unless something is done, the ship-building industry, and the merchant marine of this country, will soon be back to somewhat the position it occupied just before the outbreak of the Great War.

CHICAGO Y.M.C.A. HAS REPUDIATED SHERWOOD EDDY

Requests He Resign From All Connection With Association Work

Special Correspondence.

CHICAGO. — THE FINANCIAL POST'S protest against the teachings of Dr. Sherwood Eddy, and his efforts to create discord between classes in Canada in the guise of religion and in the interests of labor, under the official auspices of Sir Robert Falconer and the authorities of Toronto University, the Young Men's Christian Association and the churches in Canada, has been read with much interest, but no surprise here. The denials in his letter to Canadian Y. M. C. A. workers are contradicted by happenings here. The leaders in the Y.M.C.A. movement here had already taken the same stand as THE FINANCIAL POST. They found it necessary to issue a public statement repudiating Eddy, on behalf of the Chicago Young Men's Christian Association, and pointing out that he had no authority to speak for them.

In addition to this they sent a committee to the headquarters of the International Association in New York to demand the resignation of Dr. Eddy from all connection with the Y. M. C. A.

From what your correspondent has been able to gather, Dr. Eddy, when here, made a similar claim as he did in connection with his address in Convocation Hall, Toronto, when he asserted that he spoke with the approval of Sir Robert Falconer, the president of the university. In Chicago he claimed to speak as an officer of the Y. M. C. A., secured his audience and platform because of his position as assistant general secretary of the International Y. M. C. A. Committee. He then proceeded to expound his personal theories on pacifism, endorsing the attitude of the conscientious objector. His views are not those of the Y. M. C. A. of Chicago, nor of the International, but they were discussed in the press generally as being authoritative and having the endorsement of the Y. M. C. A. of Chicago and of the International Committee. Because of his utterances, the local body published the fact that they must utterly repudiate the statement of any person that they endorsed the attitude of any objector, whether conscientious or otherwise, who does not uphold his government in peace or war.

His address created indignation among the citizens of Chicago and supporters of the Y. M. C. A.—many of whom said they would never again contribute to the funds—that it became necessary to call a meeting of the board of managers at once, at which, on motion of William Francis, vice-president, the following resolution was passed and handed to the press:

"Reported utterances of Sherwood Eddy on the subject of 'Pacifism' have

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"Why Canada is Lagging Behind"

Realization of the tremendous loss in economic wealth which Canada suffers by having her forest products shipped out of the country in their raw state instead of manufactured into paper in the Dominion, is becoming general. The conclusion that Canada will make little progress industrially so long as free and unrestricted exploitation of natural resources is allowed, is gaining strength. The Vancouver Sun, discussing the manufacturing of Canadian raw materials at home, instead of allowing it to go across the border and "enrich American institutions" says:

"For every dollar Canada makes out of Canadian natural resources, the United States makes from three to five dollars.

"And in that fact is the real reason why Canada is lagging behind while the United States is forging ahead.

"The production of raw materials is only a minor part of the economic cycle that creates national wealth.

"And if Canada is to prosper, those raw materials must stay in Canada and be manufactured in Canada by Canadian industry and Canadian brains."

The Ottawa Journal also feels that steps should be taken to safeguard the country's resources. It says:

"Really, what Canada wants is to have her national policy brought a little up to date. Thirty, twenty, ten years ago it was enough to have protection for industries. What we require now is a policy that will safeguard our resources, that will prevent foreign exploitation of our pulp, our electrical power, our minerals. In other words, a policy that will put development of Canada as our very foremost consideration."

Stagnation for Canada If We Export Our Power

Canada Must Choose Between Building Up Canadian Industry and Building Up American Industry—Soon We Will Use All Our Power—Cannot Withdraw Power Once Exported

By A. SCHWARTZ, Industrial Engineer, Southern Canada Power Company.

The question of the export of power has apparently arisen again to disturb Canadians who have at heart the best interests of Canada. It is hard to believe that anyone could be so blind to the menace this pernicious policy is bound to entail. From any standpoint, Canada has everything to lose in permitting the export of its richest asset, Power.

The recent history of the development of the Dominion, aside from its agricultural aspect, is entwined with the history of its power development. That electrical energy which drives the grinders of the pulp-mill, which turns the wheels of the paper machine, which drills, hoists and crushes the ore of the mines, which runs the street railways and the factories, which lights and heats the homes and assists in the multitudinous commercial activities of man; this energy it is now proposed to export to the United States, to perform there similar work that it does here.

The claim is advanced that we have surplus power; that the water now flowing to waste can be advantageously used to develop power which could be sold profitably in the United States until such time as that power is required in Canada. On the face of it, that claim sounds reasonable. Looking into the question more fully, we begin to uncover the snares and pitfalls such a policy inevitably leads us into.

Vested Interests Created

The sale of power means the establishment of vested interests at the point of delivery. Take the territory served by the Southern Canada Power Company as an example. Ten years ago this area of some 6,000 square miles was an indifferent farming district. To-day, with the reliable power development of the Southern Canada Power Company, in a comparatively short time it has become a recognized prosperous industrial community. So fast is this district growing industrially, it has earned the flattering title of the "New England of Canada."

For a still more striking example, take the territory served by the Shawinigan development. Everyone in Eastern Canada at all familiar with the subject knows of the splendid growth of this area; knows how Three Rivers, Shawinigan Falls, and the asbestos district, have grown in industrial activity, because of the adequate power developed and supplied to industries employing thousands of men and representing the investment of hundreds of millions of capital.

Here, again, we see how inevitably the sale of power means the establishment of vested interests at the point of delivery. The gross fallacy of this pernicious doctrine of power export is that, once having sold that power, it is possible to withdraw it when we require it for use in Canada.

The Manufacturer's Attitude

We need not theorize about such a condition. We know that once having sold the power, we cannot withdraw it for our own use. History repeats itself. Some of the first electric energy generated in Canada was sold under contract in Buffalo and other American points under the present one-year export license. In 1920 many Canadian manufacturers were shut down by the Ontario Hydro Power Commission because of shortage of power, while Canadian developed power was being delivered to United States manufacturers and could not be withdrawn.

From a resolution passed by the Ontario branch of the Canadian Manufacturers' Association at their annual meeting in 1921 I quote as follows:

"Whereas during the past winter a large number of the members of this Association have suffered very considerable loss as a result of the failure of the

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Lessons of an Experiment

An Editorial

DURING the last five years this country has experimented with the project of a government Mercantile Marine. The time has surely come to review the experience we have had of its working, and to ask ourselves—in the light of a fairly extended trial—how much has been gained, how much has been lost, what promise there is for the future if the project is maintained. For there is little value in making experiments unless one takes note of their actual consequences, and decides to go back or go forward as such consequences suggest.

We are not, indeed, unmindful of the special situation out of which the Government Merchantile Marine took its rise. It was not just an adventure to test a policy. In 1917, German submarines had dislocated the ordinary carrying trade, and the shortage of ships was becoming worse from week to week. In view of this, the government decided to build ships as rapidly as possible at the public expense, and to operate them as a supplement to the depleted fleets of private companies. It was avowedly a war measure, adopted to meet a war necessity. The time was one for trying many a new expedient, many a plan that could never have been defended by considerations such as govern ordinary policy in time of peace. Hence all criticism was hushed at the moment, and in anything we have now to say we must not be supposed to reflect upon a choice which in exceptional circumstances was made for the best. Our present question is whether the plan should be continued long after the war emergency in which it arose has passed away.

The cost already incurred has been enormous. Year by year this department has had to report an accumulating deficit. Operating losses, for example, for 1921 were over nine million dollars, and for the following year nearly nineteen millions. Those best competent to judge tell us that on a conservative estimate, all things considered, Canada is now the poorer by not less than sixty million dollars through her Government Mercantile Marine. Freight rates on the government-owned ships are exactly the same as on the ships of private companies, so that the business community is in no way benefited by lowered rates of transport, nor the Canadian consumer by lowered price for goods. Who, then, are the gainers—except the employees this maintained at a constant drain on the public purse?

New trade routes, we were told, would be opened up. How far has this promise been fulfilled? There has been ample time, if the method were effectual for such a purpose. In 1921 we were supplied in the "Second Annual Report" with a long list of cargo sailings either actually established or in early contemplation. It included sailings to the United Kingdom, to the West Indies, to South America, to Newfoundland, to Australia and the Orient. What has happened? Many of these routes, after trial, have been abandoned. Others have never been attempted, and it is reasonable to suppose that the warning of failures elsewhere will prevent any such attempts being made. The truth is that very few routes really new were ever opened up by the government Mercantile Marine, and that of these few, all have been given up except one or two to which the company is still committed by contract. Those apparently new were already supplied, directly or indirectly, by private companies, whilst practically every route over which the government ships are sailing now is covered also by private tonnage between the same ports.

What, then, is the Canadian taxpayer getting for his money? What has he any prospect of getting? The story up-to-date is one of expectations disappointed, projects increasingly dropped, and a sum of at least sixty million dollars spent without the slightest return to those out of whose pockets it was taken. Is it not time to call a halt?

Rosy Expectations for Trade Mission Vanish

From Our Own Correspondent.

OTTAWA.—Ill luck is attending the efforts of Canada's trade emissary to the West Indies, J. Hance Logan, M. P. Even before sailing, ripples of difficulty began to appear on the horizon of his hopes, for Hon T. A. Low found it impossible to make the journey. Mr. Logan then started off, but news has reached here that he sprained his ankle aboard ship. Worse still, he subsequently caught a chill, and had to go into hospital at Bermuda. It is thought that he may be able to resume his journey shortly.

This means that the rosy expectations of Mr. Logan and some others respecting a much better trade treaty with the British West Indies have been dimmed. If the islands are prepared to go as far as Canada is in the making of concessions, there may be something done, but that remains to be seen.

Ottawa Still Increasing the Capital Expenditures

From Our Own Correspondent.

OTTAWA.—The total expenditure for the nine months of the fiscal year ending December 31 was $251,419,591, being an increase of $3,297,894 over that for the corresponding period in the preceding year. There was a decrease in the current expenditure, which was more than offset by an increase on capital account. The total revenue for the nine months was $264,029,196, as compared with $308,310,718 for the preceding period.

Government Goes Too Far in Cutting the Tariff

From Our Own Correspondent.

OTTAWA.—At the end of December, 1923, the treasury had revenue collections of $60,000,000 in excess of the total expenditure at that date. At the same date in 1924 the revenue collections were only $12,600,000 above the expenditure, and probably will disappear altogether during the course of the next few months. In view of this showing it is not surprising that in Toronto the prime minister expressed the opinion that perhaps the government had gone a little too far in the making of reductions.

GOVERNMENT IS FINANCING MANY LOSING VENTURES

Leaks Must be Stopped if Taxes Are to be Reduced

HOLT'S IDEA SOUND

Canada Has a Budget But No One With Authority to Control Expenditures as There is in the States

From Our Own Correspondent.

OTTAWA.—Sir Herbert Holt's recommendation of a Central Budget Bureau for the control of national expenditure, such as they have in the United States, has attracted attention here. The Department of Finance statement for December shows that during the month the net debt increased by $5,991,582. On the year the increase in the net debt was $2,207,830. This means that through the loss of revenue last year's surplus of $36,000,000 has been wiped out. As the decrease in revenue is continuing, the debt will, of course, increase.

It is pointed out that already in this country the Budget is in operation and has been for some years. But the fact is that, with the possible exception of the minister of finance, there is no one who can control expenditure in this country as the chief of the Budget in the United States can. The latter can walk into a department and say that such and such must be done, and as long as the president will back him up his word is tantamount to law, in so far as ordinary expenditure is concerned.

The appointment of Auditor General Gonthier has not produced the results expected in the reduction of expenditure. It may be that expectations were raised too high. Some thought he would be a General Dawes, but as yet the results are not apparent.

Too Many Leaks

Comparison in the matter of [illegible] this country in favor of the United States, as long as our government continues to assume responsibility for so many unprofitable enterprises. From the early stages of this country's history, public thought and policy has been shaped on the principle that development would be best promoted through governmental expenditure. So if there was a big thing to be done the first effort was to get the government in behind it.

This may have been wise policy up to a certain point, but the trouble is that now it can't be stopped. There is so much territory to be opened up that the old argument of the necessity of public assistance is still used effectually. This means a continuous policy of new commitments.

In the United States the national government does not get behind enterprises to anything like the extent that our government does. The question over there is, will it pay? If it does then private enterprise will go into it. It it won't pay, then it is

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MARITIMES LACK REAL FOUNDATION FOR PESSIMISM

More Ground for Optimism in Business Outlook Than Reverse

In certain respects, sections of the Maritime Provinces show more signs of prosperity and recovery than any other part of the country. Amid the chorus of pessimism which is always heard in parts of the Maritimes during a period of depression, there is a tendency to overlook those factors which indicate progress and betterment, and to exaggerate the difficulties. This has been very much the case during the past year.

While the manufacturing industries of Cape Breton, for example, have suffered very heavily during recent years from lack of markets, etc., there has been a gradual growth in the mining industry of the Maritimes, which has doubled its output each ten year since the beginning of the century, and which now has a greater output than ever before. This is a record which cannot be boasted by every part of the country. The value of farm products also shows a remarkable development. Total revenue from the farms of the three provinces at the beginning of the century was little more than $30,000,000. In 1921 it was approximately $130,000,000. In addition, the average value of occupied farm lands in the Maritime Provinces had shown a gradual increase since the beginning of the century, and is now in excess of ten dollars per acre more valuable than then. The fishing industry also has improved measurably.

Turning from these signs of progress over a period of years to the current state of business in the Maritimes, the favorable indications certainly seem to be in the majority. The splendid returns received for the crops this year have added to the buying power sufficiently to produce a larger volume of business already. Retailers had a very satisfactory holiday business and are hopeful for the coming months. The apple crop of Nova Scotia is being sold at prices averaging 25 per cent. higher than those of a year ago. The yield of creamery butter is considerably larger than was the case in 1923, and prices are very much better. The Lunenburg catch of fish commanded the highest price for the same product in the world market. The general improvement in fish prices in the world markets was the occasion of an increase of more than $1,000,000 over that of the previous year in the cash return to the fishermen. The potato crop of New Brunswick was an eminent success, and other crops were above the average. This compares very favorably with the West, where the yield of the grain crops was very much below the average.

These favorable factors in the business situation seem sufficient to counteract the unsatisfactory conditions of the lumber industry, and to a degree, at least, of the manufacturing industries. Everything taken into account, the business outlook for 1925, in the Maritime Provinces, seems better than at any time since 1920.

The following statistics indicate the trend of conditions in the provinces concerned:

VALUE OF MINERAL OUTPUT

	N.B.	N.S.
1910	$ 581,942	$14,195,730
1920	2,491,787	34,130,017
1921	1,901,505	28,912,111
1922	2,263,692	25,923,499
1923	2,295,846	30,534,176

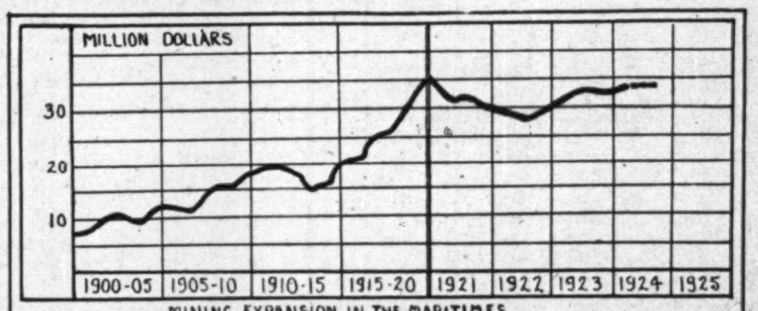
VALUE OF BUTTER PRODUCED

	N.B.	N.S.	P.E.I.
1920	$606,000	$1,518,000	$674,000
1921	475,000	1,306,000	452,000
1922	467,000	1,244,000	449,000
1923	456,000	1,353,000	542,000

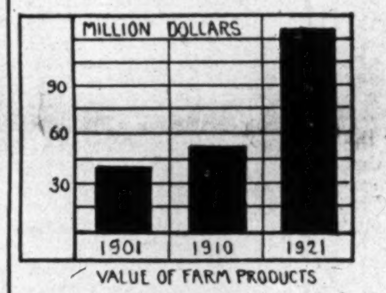
VALUE OF FARM LANDS

Average, per acre

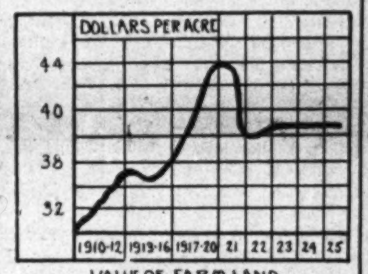
	N.B.	N.S.	P.E.I.
1914	$26	$28	$39
1920	35	43	49
1921	28	35	46
1922	32	34	45
1923	32	31	51



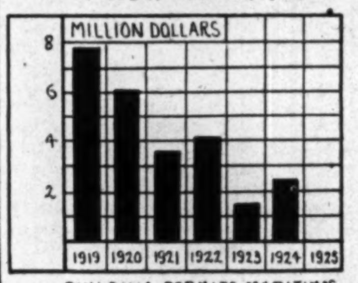
MINING EXPANSION IN THE MARITIMES



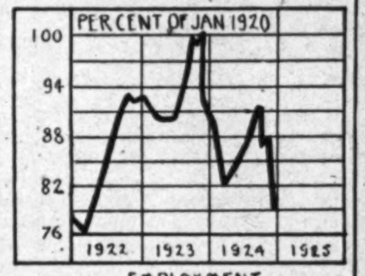
VALUE OF FARM PRODUCTS



VALUE OF FARM LAND



BUILDING PERMITS, MARITIMES



EMPLOYMENT

FINANCIAL POST

GARY COUNTS ON RISE IN CONSUMING POWER

Better in Long Run Than Sudden Burst of Inflation, Says Head of Big Steel Corpn.

By E. N. GARY,
Chairman U. S. Steel Corporation

It is particularly gratifying and significant that new business has been accumulating naturally. There has been no artificial stimulant such as inflation. We have not had an acute shortage of materials for domestic requirements, as was the case after the war, when, in 1919, for instance, the country was trying hurriedly to replenish the warehouse stocks, depleted through the diversion of so much production to war purposes.

Business is not always best when it seems to be, nor worst when every one says it is bad. During a period said to be good, prices may become inflated, with the result that prosperity may be checked. On the other hand, in a period of apparent depression, it may be that prices are settling to a firmer, dependable basis which will permit prudent commitments for the future. Stability of prices is a condition which in large degree contributes to steady, profitable business. Only with stability assured can men plan confidently for the future.

The business policy of our corporation for many years has been one of restrained optimism. We believe in normal development, neither ahead of nor behind the growth of the country, and keeping well within corporate resources. We do not believe in being the first to raise prices nor the first to reduce them, but rather to look far ahead and never to be swayed by purely temporary conditions. For instance, last year we could have increased our volume for the time being, if we had made prices low enough. But that would have been, in my judgment, the worst possible procedure, because it would have been only an opportunist measure. Other steel companies would perhaps have followed the same course, and the result would have been serious risk for the future. It is steady, progressive production which pays in the end. And I think that principle will hold true in every kind of business. It is elemental and fundamental.

The consumptive capacity of America is undoubtedly greater than ever before. Never in the history of the world has any country had such an opportunity for advancement as the United States possesses just at this time. The fundamentals are here, the foundation has been laid. It is up to us, the people, to do our part.

Car Loading Figures Up Despite Drop in Grains

Car landings made a rather unexpected recovery during the last week of the year by showing an increase over the previous week of 3,793 cars, and an increase over the same week last year of 1,324. This is especially encouraging in view of the large decrease in the volume of grain shipments in comparison with those of last year. The actual decrease in grain loadings for the week was 3,030 cars. The most important increases were in the case of shipments of coal, pulpwood, and miscellaneous freight. Coal shipments increased by 1,476 cars, miscellaneous freight by 715 and pulpwood by 436 cars. These figures substantiate the opinion that business has definitely started upward, since, although grain movement figures moved in the opposite direction, the figures representing shipments of basic commodities have actually made a substantial gain.

Australian Capital Options Alberta Oil Land Acreage

LETHBRIDGE.—Oil circles are interested in the renewal by Australian capital of an option on certain independent oil holdings and wells in the border field. This renewal was made at a recent meeting in this city. It applies to the Baalim, McLean-Mitchell and Frank Moodie wells and calls for the completion this year of the Baalim well on the Quarantine Station and the Moodie Coutts townsite test, the one down two thousand feet and the other past the thousand-foot mark with showings of gas and shale oil in both wells.

WHOLESALE PRICE LEVEL HIGHEST SINCE SEPT., 1921

Grain and Steel Prices Are Mainly Responsible for the Increase

That there is a definite upward trend in prices is shown by the December index figure of wholesale prices in Canada, prepared by the Dominion Bureau of Statistics. The current figure is higher than at any time since September, 1921, having risen to 160.9, as compared with 157.7 in November. Out of the total of 236 commodities 62 were higher, 24 lower, and 150 unchanged.

As was to be expected, the most important rise took place in the vegetable products' group as a result of the rise in grain prices. The average price of No. 1 Northern cash wheat, Fort William basis, was $1.72-4/5, as compared with $1.64 in November. The low price for the month was $1.60 and the high was $1.86¾, the rise being due largely to the entrance into the market of British and foreign buyers. Coarse grains fluctuated in sympathy with wheat.

Taking the list of commodities according to groups, five of the main groups moved upward, one moved downward, and two were practically unchanged. Animals and their products joined the upward movement of the vegetable products, and an increase took place in the case of such products as cattle, sheep, meats, eggs, hides, leather and fur. Fibres and textiles rose slightly, although declines took place in the case of cotton, jute and silk. Wool and binder twine were mainly responsible for the increase. Iron and its products were raised by the prices of pig-iron, steel billets and steel sheets. Non-ferrous metals rose as a result of increases in the case of copper, lead, tin, zinc and antimony. Chemicals and allied products registered a decline, while wood and wood products and non-metallic minerals were practically unchanged.

SUGAR PREFERENCE HAS BEEN REMOVED

Beet Product From England Was Flooding Market and Price Dropped

The drop in the price of sugar to $7, a result of a second 25-cent cut in a week, has been followed by the immediate announcement of the suspension of the British preference on sugar and the applying of the general tariff to such imports. The British preferential rate was $1.09 cents per cwt, and the general rate is $1.89. Heavy imports of beet sugar from England which have been constantly increasing are believed to be behind the action of Ottawa. As late as 1923 Canadian refiners were enjoying a fairly good sugar export to England. Since then, however, the tide has steadily changed and little Canadian sugar has been going to England. At the same time the Canadian refiners found it difficult to compete with the English product because of the cheaper labor, etc. As to whether or not this will mean a strengthening in sugar prices, is unknown. This will depend on the United States market. If the United States sugar can sell at the present Canadian level, the price will likely remain stationary, otherwise there will likely be a strengthening.

AUTOMOBILE REGISTRATIONS

In connection with the analysis of the motor car industry published in these columns last week, the figures for license registrations in the provinces should have been given as follows:

	1923	1924
Alberta	43,044	43,044
British Columbia	40,518	51,200
Manitoba	42,567	42,000
New Brunswick	16,829	19,558
Nova Scotia	18,384	20,441
Ontario	281,010	297,800
P. E. I.	2,454	2,525
Quebec	72,427	77,748
Saskatchewan	67,056	67,056
Yukon	96	96
Canada	584,385	621,468

(Figures subject to revision)

Canadian Conditions

Car Loadings—	1925	1924	
Week Jan. 3	40,349	39,025	+ 3.4%
Year to date	2,945,182	2,890,135	+ 1.9%
Grain Receipts— Aug. 1 to Jan. 2	174,186,261	280,165,153	—37.8%
Building—	1924	1923	
December	$5,530,683	$6,596,703	—16.1%
12 months	112,978,719	120,174,563	— 5.9%
Bank Clearings—12 months—	1924	1923	
	$16,979,923,607	$17,332,632,355	—2.%
Savings Deposits—Chart. Banks—	1924	1923	
October	$1,189,086,750	1,141,136,278	+ 4.2%
Current Loans—By Banks—	1924	1923	
October	$981,111,418	1,066,859,326	— 8.7%
Net Dominion Debt—Dec. 31—	1924	1923	
	$2,417,745,930	$2,416,538,100	+ .09%
Railway Earnings— November—	1924	1923	
C. P. R.	$18,100,945	$22,244,319	—18.6%
Oper. ex.	12,071,064	16,133,849	—25.2%
Net	6,029,881	6,110,470	— 1.3%
C. N. R.	20,946,123	24,087,039	—13.0%
Oper. ex.	17,231,819	19,478,662	—11.5%
Net	3,714,304	4,608,377	—19.4%
11 Months—	1924	1923	
C. P. R.	166,811,984	176,700,415	— 5.6%
Oper. ex.	133,314,044	143,177,532	— 6.9%
Net	33,497,940	33,522,882	—0.07%
C. N. R.	216,271,446	230,482,380	— 6.1%
Oper. ex.	201,787,478	213,759,380	— 6.1%
Net	14,483,968	16,723,089	—13.4%
Balance of Trade— 12 months, Nov. 30—	1924	1923	
Exp.	$1,070,064,289	$1,015,651,417	+ 5.3%
Imp.	812,905,157	907,579,332	—10.4%
Bal.	257,160,132	108,072,085	138.0%

IT MEANS A QUICKER RENTAL RETURN

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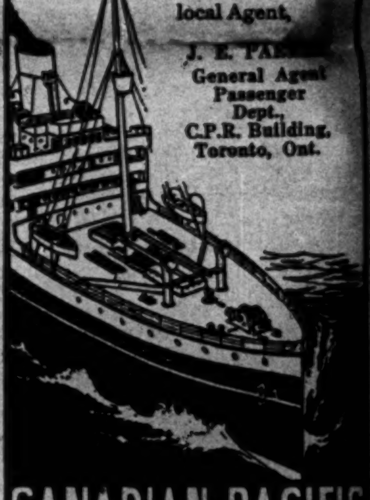

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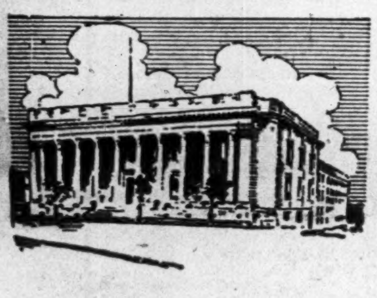

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RED ELEMENT IS STILL A FACTOR IN SCOTIA MINES

Prospects Seem to be Definitely Against Strike

SYDNEY. — Prospects are now definitely against a strike in the Nova Scotia coalfields. U. M. W. representatives have discontinued negotiations with the operators. That they have not chosen to sit on the conciliation board is incomprehensible here, as there is everything to be gained by naming their own man, and possibility of a serious handicap by waiting for the government to do it. The feeling is that the matter will go to the board, which will make a finding more or less favorable to the men, and that an agreement will finally be reached upon substantially the same wage basis as now exists.

On the eve of a resumption of negotiations, Besco caused to be printed as an advertisement in all the leading newspapers of Nova Scotia a facsimile of the front page of the Maritime Labor Herald (Communist) and copies of a letter sent by the company to Premier Armstrong, demanding protection for the coal areas if a 100 per cent. strike results. The idea apparently was to point out to the government and people that J. B. McLachlan, now out of prison on ticket-of-leave and editing the Herald, is advising the miners, if they have to quit work, to make it a 100 per cent. strike—i.e., take out the engineers, firemen and pumpmen, and let the pits drown.

Some of the provincial newspapers, commenting editorially, think good judgment was not used in printing this broadside at the present time for these reasons: (1) The provincial government would protect the mines anyway, as it did before; (2) there is an agreement between the negotiating parties to issue none except joint statements during the progress of negotiations; and (3) such a move at the present time will merely anger the miners and destroy whatever chances there are of a peaceable settlement.

The corporation on the other hand points out that the controlling interest in the Maritime labor is in the hands of the U.M.W., and McLachlan could not print such dangerous appeals if the union was very seriously set against them. The particular issue of the Herald complained of was more than usually Red, and if the idea of the editor was to create a furore, he certainly succeeded in doing so. The fact of the matter is that McLachlan is still the man behind the gun at Glace Baay, although he has no official connection now with the U. M. W. If the miners decide to name a man on the conciliation board, it will be either Norman McKenzie or McLachlan, although the latter might prove a serious handicap to a peaceful settlement. Col. W. E. Thompson, of Halifax, has already been named by the operators.

FORMER HEAD OF 4 OIL CONCERNS HELD

Embezzlement Charge in Alberta Against W. Livingston —Secretary Also in Toils

From Our Own Correspondent.

CALGARY.—The arrest of William Livingston, pioneer oil man of Alberta, charged with the embezzlement of funds amounting to $15,587 from the Southern Alberta Oil Company, has caused a sensation throughout Western Canada. He was formerly president and general manager of the company. Miss Laura D. Kirkness, Livingston's private secretary, has also been arrested on a charge of falsifying the books of the company, the amounts involved being stated as $23,775. Livingston is now out on $50,000 bail, and Miss Kirkness on $30,000. In the meantime, it is stated that further charges will be laid.

The companies that are concerned are Southern Alberta Oil Co., Southern Alberta Refining Co., Alberta Southern Oil Co., and the Midwest Oil Co.

Before his resignation in January, 1924, Livingston was president and managing director of all these companies. The Southern Alberta Oil Company was organized in September, 1913, with a capitalization of $130,000. The Southern Alberta Refining Company was formed in January, 1916, and was capitalized at $200,000, with $109,000 outstanding. The Alberta Southern Oil Company, capitalized at $500,000, of which $333,000 is outstanding, was formed at the same time. The Midwest Oil Company, which was a subsidiary of the Southern Alberta, was organized in December, 1917. It took over the properties of the Western Pacific and the Northwestern Pacific, including one producing well.

At the time of Livingston's resignation, F. W. Haines was sent here by a number of Chicago shareholders. His investigations were the cause of the arrest of Livingston and his secretary.

Large Shipment of Alberta Cattle Sent to Japan

From Our Own Correspondent.

CALGARY.—A shipment of 260 head of Alberta beef cattle will shortly be made from this province in the name of a large Japanese firm which has interested itself in the importation of beef from Alberta ranges. This is the first large shipment to result from the reduced rate of $37.50 per head obtained by the Provincial Department of Agriculture, following negotiations and test shipments. Another Japanese firm is negotiating for ocean space for a similar shipment in the near future. This indicates the beginning of a steady trade with Japan in beef cattle.

Yield of Alberta Irrigated Belt Averaged $26 per Acre

From Our Own Correspondent.

LETHBRIDGE.—Irrigated crops on the C.P.R. irrigation block in Southern Alberta produced in 1924 a gross return of $26.53 per acre, according to the annual report of the project manager, S. G. Porter. This is an increase of $7.72 per acre over 1923 when the gross average was only $18.81 per acre, the lowest on record. During 1924 the 52,521 acres of irrigated land under crop produced a gross return of $1,351,544.78, but this does not take into account the returns from livestock, poultry and dairying. Counting the latter, and the production from dry lands under the ditch, the average per acre is raised to $30.79. There is a margin of $12 an acre when the figures are compared with dry land production.

GROUP POLITICS SEEM LIKELY TO PREVAIL IN WEST

Other Prairie Provinces May Follow Lead of Manitoba

The definite intimation by Premier King in his Toronto pronouncement this week that the government has broken any alliance it might have had with the Progressives, and that blocs will be treated as merely obstructions against the sound solution of national problems, increases interest in the organization of the farmer group in Manitoba, and in political developments generally in the prairie provinces.

OTTAWA. — The politicians have been "listening in" intently to the proceedings of the Manitoba United Farmers' convention. This has been of unusual importance, for being the first of the three annual conventions held by the farmers of the prairie provinces, it gave some indication of the probable political line-up in the prairie provinces during the coming general election.

The decision to conduct in Manitoba a vigorous Progressive organization and campaign means that, insofar as the prairies are concerned, group politics will continue and will be a serious factor. What Manitoba does in this respect, Saskatchewan and Alberta may be expected to do.

It means trouble for the politicians, and they know it. Even in a two-party fight it is usually difficult for them to tell where they are at. But in a three-cornered one this is impossible, especially now that the women's vote has become an important factor. Under such conditions, a government that enters an election takes its chances, and the politicians know it. They also know that it means that the water is not fine, and some of them will be loath to take chances on a chill that might have a fatal termination.

It is no secret that many of the political strategists had hoped that the situation in the prairie provinces had undergone a change similar to that which has taken place in the Western states As yet it may be too early to pronounce definitely on this, but at present it looks as though the change had taken place chiefly at the boundary line.

Was It a Compromise?

WINNIPEG.—The action of the farmers of Manitoba is regarded as something of a compromise solution as between those who want to keep the farmers in politics as an organized class and those who want to see a new Progressive political organization set up, without reference to class or occupation. The association is taking the lead in forming an organization, and must retain some responsibility with respect to it, but the organization when formed will not be responsible to the association. There was some opposition from members who did not want city representatives included in the new political body, but the class theory of representation has no great hold in Manitoba.

DIVIDEND CHEQUES WERE MARKED N.S.F.

Interesting Sidelights on Promoter's Methods Come Out in Trial of H. M. Lickley

Promoters of wild-cat propositions are never embarrassed to devise selling methods and arguments to put over their proposition. They can, if needs be, design a new proposal for each individual prospect. In perhaps no case has this fact come out so strongly as in the case of H. M. Lickley, charged with theft of $50,000 in connection with sale of shares in Ontario and Peace River Oil and various other companies. Lickley seems to have gone other promoters one better in the matter of promised dividends on the stock sold. There seemed prospects of a sale of a substantial block of stock. The would-be purchaser on the witness stand, recounted how, just as he was being pressed to take up this block of shares, he had received a dividend on shares which he had previously bought. At least he got a cheque purporting to be a dividend. The sale did not go over. The dividend had failed to turn the trick. When the cheque for the dividend was presented to the bank it was marked "N.S.F." Even the dividend cheque was not the limit of the resources of the promoter. He told this prospect to hurry as Sir Auckland Geddes and Sir David Ramsay were anxious to invest their funds in the company.

Another interesting phase of the case was that of a Peterboro woman who purchased $1,500 worth of stock and was promised 12 per cent. on her money. She did not get her six per cent. at the end of six months and had her lawyer start action. She got her $90. She did not get the next dividend and got her lawyer busy again, but seemingly he failed this time. Other shareholders who were also promised 12 per cent. on their money were not so fortunate although they told of how they had made repeated efforts to get a return on their savings which they had given up to Lickley's company. It came out during the case that the company had at one time gone some distance towards being a success.

PEACE RIVER RY. WOULD BE BUILT BY PUBLIC PURSE

And Past Experiences Make It a Very Grave Problem

From Our Own Correspondent.

OTTAWA.—The conference held here on the providing of a new rail outlet to the Peace River country, which was largely attended both by the railway men and representatives of British Columbia, Alberta, and the Dominion government, resulted at least in the project getting a chance of being considered as a real railway proposition. It ended in leaving with the railway companies the problem of seeing what could be done.

While there has been a lot of brilliant word-painting about the wonderful resources of the Peace River country, it is easy to see that those upon whom will fall the responsibility for shouldering the project are rather nervous about it. They don't like the thought of having to go out and raise the money. They know they could raise it all right, but as there are no surplusses these days, the loan would bear interest for at least 25 or 30 years at 4½ per cent. at least, and it is by no means certain that the road would meet fixed charges for many years to come.

The Lesson of the P. G. E.

British Columbia wants this new outlet more than any other portion of the country, and yet Premier Oliver cannot forget that the province has sunk $46,000,000 in the Pacific and Great Eastern; that it would take possibly $20,000,000 to complete it, and that the fixed charges are a heavy drain on the resources of the province. Scrapping a $50,000,000 enterprise for something better may be all right under certain circumstances, but it is a pretty big order when the new project may cost a good many more millions.

The proposed railway may eventually result in the raising of an immense amount of wheat in the Peace district; but the railways know that this is seasonal crop. They also know that while there may be a lot of freight moving out, there may not be nearly as much moving in. But a big railway project cannot be operated on a one-way freight movement, for if it is, the rates will have to be higher than they would be on a normal two-way movement. Neither the Canadian Pacific nor the Canadian National wants any more unprofitable lines just now.

Another National Burden

At present it looks as though, if the Peace River gets its new railway, it will have to be built as a national enterprise, as was the Intercolonial and the National Transcontinental. Certainly British Columbia will not build it, nor will Alberta, the experience of both provinces having settled that. Naturally the Canadian National would not like to have its fixed charges increased by new interest commitments on the many millions that would be required for construction; while it would certainly ask the government to protect it against an operating loss.

So the whole subject is surrounded with difficulties. It will require some artful dodging to please everybody.

Shareholders Unlikely to Get a Five Cent Piece

The volume of business carried on by the Hearst Music Publishers, of Winnipeg, as shown by the company's books, astounded all those who came in contact with the figures. It now comes out that of a total business of $1,333,000, which the company was claimed to have transacted, the actual business was $142,000, and the remaining $1,191,000 was absolutely fictitious. As a means of putting over this gigantic fraud, account forms were used apparently without the consent of the firms with whom the company was doing business. Liabilities are said to stand at $32,415, while assets are around $30,000. On the other hand, the latter figures may not be all that they seem.

It is a foregone conclusion that there will not be a five-cent piece to go back to the shareholders.

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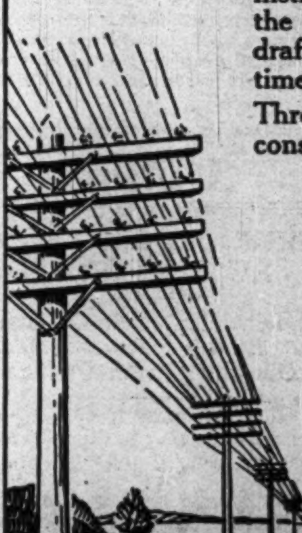
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The Securities Markets

MARKED REACTION EXPECTED BUT NOT IN SIGHT AS YET

Varied Opinions on Outlook Are Held, But Dangers Recognized

MARKET INDICATOR
(20 Industrial Stocks)

Week Jan. 14		Week Jan. 7		Jan. 1924	
High	Low	High	Low	High	Low
72.1	69.1	70.4	68.9	71.0	64.7

"There is little evidence of a large reaction in the stock market, but this must come some time in the natural course of events, and if it comes soon enough will furnish another opportunity for widely-extended purchases. After such advance as the market has had, only the very best securities should be bought by conservative people, as such securities would ride through a reaction without much disturbance and would eventually regain their prices based on real dividend paying value."

The above view of the market outlook by Bache Review clearly sets forth the position as it stands to-day. It admits that there are no signs of the expected reaction, yet one is certain to come. Not a few of the leading investment houses admit that they have been wrong in their estimates. They under-estimated the purchasing power of investors and speculators. They expected severe reactions long ago, instead the market continues strong and active with trading in an unusually wide range of issues. The public seems to be thoroughly in the market. This is also a danger as over-developed optimism frequently carries stocks well over the level justified by conditions. In such a market the public usually awakens to find that the professional elements have been out long ago, and that they are left "holding the bag" as it were. It is generally admitted that in all such markets stocks pass from strong to weak hands.

It is being pointed out that great readjustments have taken place since the public was heavily interested in the stock market. Large additions have been made meantimes to industrial plants out of profits, inventories have been cut down to a low figure, working capital has been heavily increased; the farming sections have been fortunate in reaping high prices for their crop. Altogether, the economic changes that have taken place of recent years, and in some cases in recent months, have made for an exceptionally strong position.

In another month or two the reports for 1924 will begin to appear. In a good many instances the earnings revealed will seem rather small as compared with present stock prices. These earnings to be sure have to do with the past, while the market has to do with the future, but it may seem as though the prospects of 1925—brilliant as they may be—have been pretty generously recognized. Hayden-Stone also see dangers. They say:

"The recent reaction greatly improved the position of the market; it was clearly getting rather out of hand. It is noticeable that in the recovery several issues sold at new high figures. This is apt to be the course of the market for some time to come, viz., rather more frequent reactions than hitherto, but nothing to prevent advances where these are still warranted."

Spencer Trask and John Moody, on the other hand, seem sure that the market will go higher. The former say:

"While it is unquestionably more dangerous now than it was eight weeks ago to make speculative commitments, it is nevertheless believed that the bull market will not end until a higher average level of prices will have been established than that ruling at present."

Moody says:

"Notwithstanding the high level of stock prices, stock markets have always shown strength and progress so long as real betterment and expansion of general trade continue. This promises a continuance of the broad upward trend of stocks during a large part of 1925. The ratio of capital supply to capital demand is extraordinarily high. It is then perfectly normal and logical that interest rates and bond yields, or in other words the prices of money and capital, should be low."

The market range for the week is shown below:

	Losses	Gains	Unch.	Total
Banks	3	3	5	11
Paper	1	8	3	12
Steel	4	6	3	13
Milling	3	6	2	11
Utilities	2	9	4	15
Transportation	3	10	3	16
Textiles	4	6	4	14
Industrials ...	5	28	19	52
	25	76	43	144

City Dairy Common Reaches Seventy Mark

City Dairy stock has sold up to 70 in the past week. It was said that uncertainty as to the prospects of a dividend increase on this stock induced followers to hesitate, but this was only temporary. There is no doubt that an increased distribution is warranted by the company's earnings, but whether the directors will deem it advisable to increase the rate from the present 3 per cent., in view of recent civic agitation, is problematical, and even considered extremely doubtful in certain quarters in touch with affairs.

Milling

LARGE ORDERS FROM RUSSIA FOR FLOUR

Some Ordered From Gt. Britain But Bulk of Recent Needs Obtained From Canada

A very important development in the exports of flour is the marked increase in the demand from Russia in comparison with a falling off in demand in other markets. During the past month the Soviet government has placed orders for a total of 800,000 barrels for immediate shipment. Of this, 200,000 barrels was placed in the United Kingdom and the balance in the United States and Canada.

The original order for 120,000 barrels was placed with a Canadian mill in mid-December, for shipment from New York not later than Jan. 1. This was followed by additional orders for 480,000 barrels, a large part of which was secured by Canadian mills. It would be most difficult to foretell the entire requirements of Russia for this season, but the business already placed has been all-important in keeping export mills operating actively when other overseas business has been conspicuously absent.

The 800,000 barrels secured in Great Britain and North America would be sufficient to sustain 800,000 persons in distress for a period of 18 months, or about 4,800,000 persons for a period of three months. With the acquisition of the Russian business, the Canadian milling industry will make a very favorable export showing in January.

St. Lawrence Flour Makes a Cut in Its Dividend

The cutting of its Feb. 1 dividend on St. Lawrence Flour common from 1½ to 1 per cent. was no great surprise to careful observers of the market. At the same time no official statement accompanied the action of the directors, so that it is difficult, as yet, to make any comment as to the future. Recent reports have been favorable, and there is the surmise that a portion of the earnings is being turned into working capital. The company has a large good will account which has not been written down for some years. Despite the low levels at which the stock has usually sold, the company has been extremely liberal in the matter of bonuses and other special distributions. As a result of the announcement of the lower dividend the stock reacted sharply, losing 10½ points, although the volume of sales was greater than previously.

Maple Leaf Shares in Rise of Canada Bread

The temporary spurt of Maple Leaf common which followed rumors of the desire to purchase control of the Canada Bread Company by certain United States baking interests, was short lived. The connection, of course, was the interest which Maple Leaf holds in Canada Bread. It is apparent that the rise in Maple Leaf was sentimental rather than the result of reasoned expectation of higher earnings. The net gain of 13 points from 80 to 93 has been lost all but 5 points. It is interesting that this much of the gain remains.

The gain in Canada Bread from 108 to 119 which was based on rumor that American interests were seeking control at $120 per share also proved temporary. After receding to 110 the quotations remained firm around 110-111 and have continued there. The completion of negotiations would probably involve a considerable appreciation in the stock quotation, as the asset value of the stock seems to be well above par. Profits have been turned back into the business continuously for four years prior to the distribution last year.

Pulp and Paper

MONTREAL GROUP BROUGHT AROUND TO PAPER MERGER

Former Objectors Have Now Given Big Combination Approval

From Our Own Correspondent.

MONTREAL.—Sooner or later gigantic combinations are going to be effected in the Canadian newsprint industry and the merger of Spanish River Pulp and Paper Mills with Abitibi Power and Paper Company, which it is understood is now being actively promoted by President George H. Mead, of the Spanish Company, is regarded as a step toward the inevitable goal. At the moment of writing it is not definite if the Spanish-Abitibi combination can be worked out. Spanish River interests locally are confident of the success of negotiations. Certain very strong interests who have attacked the merger when it was suggested about a year ago have now swung around to a more favorable stand. At the same time new opposition has sprung up in Montreal investment circles, among those who feel that the present, with a saturated newsprint market and the possibility of declining prices for the product, is not the time to effect a merger that means increased capitalization and higher annual dividend payments. These objections may not have any effect, for the simple reason that the negotiations for the merger are not going on in Canada, but rather in the United States, where large blocks of shares of each company are held.

Would be Gigantic Company

The merger, if it materialized, would make a large newsprint producing company with a present capacity of around 1,200 tons a day, which would be the largest output of any newsprint producing company in the world. The output would come from four mills, of which three are operated by Spanish River and one by Abitibi and would in time be supplemented by the additional production of from 200 to 400 tons a day which Abitibi has in contemplation.

It would likely be followed within a reasonable period by the long-promised merger of the newsprint producing companies of the St. Maurice valley in Quebec, which have a somewhat larger total production. This would give Canada two large and dominating newsprint-producing combinations, one in Ontario and one in Quebec, which would undoubtedly work together on a friendly basis. The chief result of the work would be the establishment of firmer control over production and markets in order to prevent smaller companies, chiefly American, from upsetting stable markets by price-cutting, etc.

Suggested Basis of Exchange

It is suggested that the new company that would take over Abitibi and Spanish River would exchange its shares for the present outstanding shares of Abitibi and Spanish. It is suggested that 1 1-5 shares of new stock would be granted for Abitibi's common; 2¼ shares for Spanish preferred, which has a participating feature, and 2 shares for Spanish common. The stock at present outstanding in each company and the new stock that would be issued on this basis compare as follows:

PRESENTLY OUTSTANDING

		New Stocks Required
Spanish River		
Common	$9,447,000	188,940 shares
Preferred	8,619,500	193,938 shares
Abitibi Power	Shares	
Common	250,000	300,000 shares
Preferred	$1,000,000	none *
Total		........682,878 shares

*Preferred would likely be redeemed in cash or bonds.

Abitibi preferred would probably be taken care of in cash or bonds rather than in new stock. There is only $1,000,000 of the issue outstanding and it is in an unique and powerful position.

The companies each have important bond issues and certain of these would be redeemed. Spanish had $11,496,526 of bonds outstanding when it issued its last annual statement and Abitibi had outstanding $11,004,900 of bonds. There is some doubt if all of the bond issues are callable and this has been, in the past, a stumbling block in the way of a reorganization of Spanish River's capitalization. Locally it is stated that this objection has been removed, but details are lacking, if it has been.

New Dividend Basis

It is rumored that the stock of the new company will be placed on a five per cent. basis. This would require $3,476,895 annually, besides the provision for the existing Abitibi preferred stock. According to the statements last published, the combined earnings of the two companies will easily be able to take care of this. In 1923 Abitibi's earnings applicable to dividends amounted to $2,466,768, while Spanish River showed $2,719,660 for the year ended June 30, 1924, making a combined total of $5,186,428 or in excess of $1,500,000 above requirements.

On the basis talked of Spanish River shareholders with 382,878 shares of the new stock would have approximately 55 per cent. of the whole. Attention is called to the close relation which this ratio bears to the relative fixed assets of the companies, Spanish River's $31,583,499 of fixed assets being slightly over 54 per cent. of the total of $58,293,538 shown by the two companies in the balance sheets of their last fiscal years.

Points Made by Objector

A Montreal brokerage house, objecting to the proposed merger, has sent its clients a letter, from which the following excerpts have been made:

"We can scarcely credit the rumored terms of the proposed paper merger. They mean that the Abitibi common dividend is to be raised from 4 to 6¼ per cent. and the preferred from 7 to 10 per cent.; Spanish from 7 to 10 per cent. and Spanish preferred from 7 to 11¼ per cent. The whole thing seems amazing in view of the fact that we are already faced with over-production in newsprint and an almost certain drop in the price. To consummate a transaction involving vastly higher dividends at this time is not sound business, and there seems little defence for it, as we do not believe that the merging of Abitibi and Spanish will result in any great saving in operating costs. Possibly, however, the rumored terms are not correct, in which case, of course, the criticism is not valid.

"Holders of Abitibi preferred and Spanish preferred who look upon their holdings as permanent investments should be slow to forfeit the impregnable position they now enjoy. We do not necessarily advise them to attempt to block the merger, but if tempting terms are offered them their stocks should rise, and, in that case, we would advise them to sell and get into something else. This is no time for higher dividends and inflation in the paper trade.

"On the basis of the rumored terms, the proposed paper merger will involve added dividends of close to $1,500,000. The writer wishes he could share in the market's buoyant, carefree enthusiasm over deals of this description, but he has to confess that he is too much occupied in watching the storm signals so prominently displayed in the newsprint arena."

Suggestion for Diversified Investment

			Cost					Income
$1000 Ottawa and Hull Power Co. Limited	6%	1948	.. $1025.00	Feb.	$30.00	Aug.	$30.00	= $60.00
$1000 St. Lawrence Paper Mills Limited	6½%	1944	.. $990.00	Mar.	$32.50	Sept.	$32.50	= $65.00
$1000 Southern Canada Power Co. Ltd.	6%	1948	.. $1032.50	Mar.	$30.00	Sept.	$30.00	= $60.00
$1000 East Kootenay Power Co. Limited	7%	1942	.. $1025.00	Apr.	$35.00	Oct.	$35.00	= $70.00
$1000 Canada Steamship Lines Limited	7%	1942	.. $1000.00	May	$35.00	Nov.	$35.00	= $70.00
$1000 Wahnapitae Power Co. Limited	6½%	1944	.. $1000.00	May	$32.50	Nov.	$32.50	= $65.00
$1000 Manitoba Power Co. Limited	7%	1941	.. $1005.00	May	$35.00	Nov.	$35.00	= $70.00
$1000 Ottawa River Power Co. Limited	6½%	1953	.. $1000.00	June	$32.50	Dec.	$32.50	= $65.00
10 Shs. Ottawa and Hull Power Co.	7%	Preferred	.. $1000.00			Quarterly		= $70.00
10 Shs. East Kootenay Power Co.	7%	Preferred	.. $1000.00			Quarterly		= $70.00
$10,000			$10,077.50					$665.00

If desired, investors can secure this identical diversity in smaller amounts by purchasing smaller denominations.

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ST. MAURICE BONDS FIVE POINTS OVER PAR

Judgment Against Company in Important Case Not Reflected in Market for Issue

From Our Own Correspondent.

MONTREAL.—It is now two months since judgment was rendered against St. Maurice Power Company in an action taken by United Manufacturing Company to determine power rights on the St. Maurice River. In the interval the bonds of the company have declined about two points and are still five points over par, which would seem to indicate that important holders of these bonds and the investment houses that have backed them are not greatly worried about the final result of the dispute.

The case has been appealed and will come before the Court of King's Bench in March. It is likely that final adjudication will have to be made by the Privy Council.

In brief, the claim of the United Manufacturing Company is that it controls the rights to development of two of the three water powers that were developed by St. Maurice Power Company in one development at La Gabelle, Quebec, and which is now producing power. Its claim is based upon a charter granted some years ago, giving it the right to develop power upon acquiring riparian rights along the river. The claim of the St. Maurice Power company to the power sites is based upon a recent lease from the Quebec government. In this connection it may be recalled that the circular offering the bonds, which were issued in February, 1923, states that the power furnished by Gabelle and Forges Rapids is held under lease from the province of Quebec for a term of 99 years from 1916. This ownership and lease permits the company to utilize the entire flow of the St. Maurice River at the proposed point of development. Another statement made is that the mortgage securing the bond issue includes a specific charge on this lease.

In regard to these apparently conflicting claims the judgment obtained by United Manufacturing Company confirms their title to the charter for the development of these power sites. It declares in lengthy legal verbiage that they have the right to erect a power plant on the river after having obtained the consent of the municipalities or individuals interested, a clause which is not further interpreted.

Investment bankers interested in the bonds are not ready to express an opinion on the possible outcome of a matter that is at present to some extent sub judice, but the firm market for the bonds seems to indicate a general opinion that St. Maurice's lease from the provincial government strengthens its position in regard to the waters it has developed. The most important of the powers developed is held in fee simpl .

Donnacona Paper Co. Said to be Planning New Mill

From Our Own Correspondent.

MONTREAL.—Information reaching here is to the effect that the Donnacona Pulp and Paper Company plans to erect a new mill of power plant at Pont Rouge, Port Neuf County, where it already possesses some water development and a small mill. At present the pulp and paper mills of the Donnacona are located at some twenty miles west of Pont Rouge, and the operations of the company are very extensive. Through the construction of a power mill at Pont Rouge on the Jacques Cartier River, the company would be considerably extending its operations, and it is expected that the work will start early next spring.

Royalite Co. Will Repay Imperial Oil in Part

"It looks as if the Imperial will go a long way in regaining much of the large amount of money spent in the West." This is the way in which a Western oil man refers to the development of the Royalite Company, a subsidiary of Imperial Oil. It is estimated that the well will reproduce 162 barrels of 22 gallons each of gasoline per day, which at the Western price of 30 cents a gallon, gives a revenue of $5,326. This is from drip alone. This represents a gasoline revenue of $2,493,990 a year. From a gas flow of 17,000,000 cubic feet it is expected that sale of 8,000,000 cubic feet would be achieved. At 5 cents a 1,000 feet this would amount to $400 a day per year, or $146,000 per year. The revenue from the well is being estimated at $4,564,990 a year. There is also the strong possibility that the company would be able to get considerable more gasoline from the wet gas. Imperial holds two-thirds of the Royalite shares.

Big New Apartment Houses Quickly Filled in Montreal

From Our Own Correspondent.

MONTREAL.—Evidence of the extent to which Montreal is rapidly taking up the habit of living in apartment houses is given by the fact that over 100 applications have been made for space in the new Chateau being built by Hon. P. R. duTremblay, although the work of clearing the site has only been completed and the apartment will not be ready under November 1 next. Rentals in the Chateau will average around $35 a room, which touches the high water mark for apartment rents locally, the eighteen other apartments in the fairly exclusive class in this city averaging from $20 to $35 with the majority in the twenties. But the new Chateau will have elevator service, absolute fire proofing and similar features not available in all the other structures.

It is only a matter of months since the new Drummond Court Apartment was completed by Mr. duTremblay. It added over 100 apartments to the available total in Montreal, but the building has been completely rented. A recently completed survey indicated total vacancies of under 6 per cent. in all Montreal apartments. The new Acadia, which is nearing completion, is not fully rented, but this week two floors were thrown open for inspection and rentals are expected to proceed at a better rate.

Sun Life Heading for Billion Dollar Record

MONTREAL.—That the Sun Life will shortly reach the billion dollar mark in insurance in force was prophesied by the president, T. B. Macaulay, this week. Mr. Macaulay gave some preliminary figures covering the organization's operations in 1924. New assurance totalled $144,000,000, issued and paid for, this being an increase of $37,000,000 over 1923. There is now $835,000,000 in force, or an increase of $131,000,000.

The cash income of the Sun Life was $60,500,000, as compared to $47,000,000 in 1923, or an increase of $13,500,000. The assets were announced as $270,000,000, an increase of $61,000,000.

A three days conference of the Canadian and United States division managers of the Sun Life was held this week. Forty-three managers of Sun Life divisions in Canada and the United States from coast to coast were present. The address of welcome was given by President T. B. Macaulay, and the meetings presided over by Hon. Jas. C. Tory, general manager of agencies.

The business meetings were devoted to discussions of the various angles of recent development in broader life assurance service to the public, and the opportunity for intelligent interpretation by the agent of society's widening life assurance needs and the best methods of filling these.

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co., for the period Dec. 22 to Dec. 31, inclusive, amounted to 9,211 tons, and for the year 1924 the receipts amounted to 463,108 tons, as compared with 396,243 tons in 1923. For the first week of 1925 the receipts were 8,517 tons.

CANADIAN PACIFIC

Toronto—West St. John Through Sleeper Service

In connection with the Eastbound sailings of the Canadian Pacific S.S. Montrose on January 23 and the S.S. Montcalm on January 30, a through standard sleeper will be operated by the Canadian Pacific from Toronto direct to the ship's side at West St. John as follows:

Leave Toronto, January 22 and 29, 9.00 A.M., arrive Montreal 5.10 P.M.

Leave Montreal 7.00 P.M., arrive West St. John (ship's side), 12.20 P.M., January 23 and 30.

This direct service it is confidently expected will prove a great convenience to travellers to Great Britain.

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ONTARIO

SALE of TIMBER

(Partially Burnt and Damaged)

TENDERS WILL BE RECEIVED by the undersigned up to and including Monday, January 26th, 1925, for the right to cut the Red and White Pine, burnt and damaged Jack Pine and Cedar Timber on Berths 22, Range 16: 22-16; 23-15; 23-16; 8-H and 9-H, in the Mississaga Forest Reserve, in the District of Algoma, each Berth having area of 36 square miles, more or less. FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. A. H. Huckson, Crown Timber Agent, Sault Ste. Marie, Ontario.

JAMES LYONS,
Minister of Lands and Forests.

N.B.—No unauthorised publication of this Notice will be paid for.
Toronto, Ont., January 14, 1925.

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Textiles

TEXTILE PLANTS WILL BE ACTIVE FOR SOME WEEKS

After That, Outlook is More Uncertain but Prospects Are Bright

From Our Own Correspondent.

MONTREAL. — At the moment a brighter ray glimmers on the horizon of the textile industry in Canada.

Raw cotton has dropped in price and the consequent reduction in the finished product has brought out some nice orders from the mills. During the past two months operations in many cases have been on full time and it is expected to continue on this scale during the next three months; the end of this period marks the new buying season, but the outlook for the spring still remains uncertain, depending only on the buying power of Canada at that time.

During most of 1924, the industry has been impeded for a number of factors, of which the following may be summarized as the most important:

For three successive years the American cotton crops have been short, causing both high and fluctuating prices in the raw material. Cotton goods are sold on a close margin, and fluctuations of this nature make the industry more hazardous, but for 1925, the visible supply is larger and the raw material will probably not be subject to so many, or to so wide fluctuations. British spinners and weavers also have been having a thin time; many of their old markets have been cut off, notably India, which has commenced to do its own spinning and weaving under tariff protection. The cutting off of many British markets has made for keen, and in some instances, ruinous competition in those countries into which the British cottons can penetrate. Of the 156 million spindles throughout the world, Great Britain has over 56 million. From this it will be seen how necessary it was for them to obtain markets.

It's a Big Industry

The cotton industry in Canada, which represents an invested capital of over $82,000,000 and has 34 mills, has had, during the last three years, the hardest kind of competition from foreign mills. Possibly though, the decision of the cotton spinners in Lancashire to operate on organized short time will help the industry during 1925.

During the first eight months of 1924, the Canadian mills operated at about 50 per cent. capacity, and during the last four months they have worked up to full time—a condition which will certainly last for two or three months, after that the outlook is more uncertain. Sir Charles Gordon, president of the Dominion Textiles, voices not much hope for an improvement when he says:

"It is not for me to say what should be the constructive policy for our government. Suffice it to say that until some important changes in the economic situation in this country are made, we canot hope for any rapid expansion in our population, upon which our future so greatly depends."

Thus Sir Charles feels that the future of the textile trade is entirely dependent upon the country's growth and prosperity, a feeling shared by executives of other lines of industry.

Outlook for Coming Year

What is the outlook for the cotton companies in Canada? In what might be called the Gordon-Hosmer group, which would include Canadian Converters, Canadian Cottons, Dominion Textiles, Montreal Cottons and Penmans, the outlook is certainly better than it was last year. These companies have always been efficiently managed and are in exceptionally strong liquid position so that they are well equipped to seize any trade possibilities, such as the present activity offers. Wabasso Cottons, manufacturing a high grade of cotton goods, will benefit from any improvement in public buying. Canadian Connecticut Cottons and Canadian Manhasset Cottons, manufacturing tire fabrics, are sure to feel the improvement recently noted in tire sales in Canada and in export markets.

The Woollen Companies

The woollen companies have been up against much the same set of conditions which have prevailed in the cotton trade, but a few of the stronger mills are working full time. Some of the woollen men look for keen competition with the British mills when they resume large scale production. However, 1925 should be a better year.

In the other branches of the textile industry, the years have been lean. The Woods Manufacturing Company has maintained sales volume, but at a lower profit margin. Taken, by and large, the prospects for the next twelve months are satisfactory.

Here is the stock exchange record of the textile companies for 1924:

—1924—	Open	High	Low	Close
Can. Conn. Cotton pfd.	80	80	45	54
Can. Converters	82	90	70	80½
Can. Cottons, com.	110	111	85½	106
Do., pref.	91	91	82	90
Can. Woollens, com.	6	7	4	6
Do., pref.	35	42½	34	42½
Dominion Textile, com.	64	67¼	53¾	66
Do., preferred	106¼	110	104¼	109¾
Monarch Knit. pfd.	80	82	65	78
Montreal, Cotton, com.	100	100	89½	93½
Do., preferred	104	107¼	104	107
Penmans, common	150	165	134	151½
Do., preferred	96	101	92	100
Wabasso	66	72	47	58

STANFIELD'S, LIMITED

A recent financial transaction that touched maritime province investors was the calling for cancellation of $250,000 non-cumulative 7 per cent. preferred shares of the well-known manufacturing industry of Stanfield's, Limited, of Truro, the $500,000, 6 per cent. bonds having been called in 1923. This company has since taken a charter under the Dominion Companies Act and an issue of 15,000 no par shares has been authorized. The common shareholders of the old Nova Scotia company have been offered and have exchanged each of their old company shares for two common shares in the new company.

BUMPER CROP OF ICE

OTTAWA.—Canada is reaping a bumper crop of ice this year. The crop reports have indicated very favorable weather conditions and the surplus production is finding a market in the United States. The latest figures show that Canada shipped ice to the value of $88,839 to the United States during the first nine months of last year.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING JANUARY 13

	Div. Rate	Yield Jan. 12	High for wk.	Low for wk.	Close Jan. 13	Close Jan. 6	Sales for wk.	Range 1925 High	Range 1925 Low
Banks—									
Commerce	12+1	6.63	196	195	196	196	367	197	195
Dominion	12+1	6.83	190½	189	190½	190	67	193	189
Hochelaga	10	6.66	150	150	150	150	58	150	150
Imperial	12+1	6.83	191	189½	190	189½	176	193	188½
Molsons	12	6.97	172	171½	172	174	43	174	170
Montreal	12+2	5.64	248	247	248	248	193	248	245
Nova Scotia	16	6.08	264½	263	264½	264	53	265	263
Royal	12+2	6.00	233	230	232½	230	155	233	227½
Standard	12	7.01	171	171	171	170½	79	171	170½
Toronto	12	6.00	200½	196½	200½	194½	153	200½	196½
Union	8	7.47	107¾	106⅞	106¾	107½	90	107¾	106¾
Paper—									
Abitibi	4.00	5.97	67	62	66	62	9102	67	62
Do. pref.	7	6.79	103	103	103	101	20	104	101
Brompton Pulp	.	....	33¼	31¼	32¼	31	1592	33¼	30¾
Laurentide	6	6.99	85⅞	81½	85	82	3399	85⅞	81½
Price Bros.	2	5.40	37½	36¼	37½	37	719	37½	36
Prov. Paper, pref.	7	7.17	97½	96	96	96	21	97½	95
Smith, Howard, com.	.	....	25	22½	24	22½	265	25	21¼
Do. pref.	8	10.95	75	72	73	75	237	75	72
Spanish River, com.	7	6.26	111¼	102¼	109½	102½	16696	111¼	100¾
Do. pref.	7	5.64	127	113½	122¼	112½	6550	127	112¼
St. Maurice Paper	6	7.27	84½	80	84½	..	802	84½	80
Wayagamack	.	....	35	35	35	34½	25	35	35
Steel and Steel Industries—									
B.E. Steel, com.	.	....	3¼	3¼	3¼	3	45	3¼	3
Do. 1st pref	.	....	33	30¾	33	29	115	33	29
Do. 2nd pref.	.	....	10	9	9¾	9⅛	670	10	8
Can. Car & Found., com.	.	....	55⅛	51½	52¼	52¼	8343	55⅛	49⅞
Do. pref.	7+1¾	8.00	88	87	87	85½	792	88	85
Can. Locomotive com.	4	5.55	68	68	68	68	50	72	68
Do. pref.	7	7.82	89½	89	89	88⅜	20	90	89
Dominion Iron, pref.	.	....	..	..	..	..	..	28	28
Dominion Bridge	4	5.16	78	77½	78	79	95	80	77½
N.S. Steel, com.	.	....	13	13	13	12⅜	20	13	12⅜
Ontario Steel, com.	4	9.75	53	41	53	..	85	53	41
Steel of Canada, com.	7	8.28	84¾	83	84	84¾	2265	85½	83
Do. pref.	7	6.54	107⅛	105	107	108	63	108	105
Milling—									
Canada Bread, com.	4	3.63	112	98⅛	111	101	1449	112	98⅛
Do. pref.	7	6.73	104	102½	104	102½	145	104	102½
Inter. Milling, pref.	7	7.03	99⅛	99¼	99¼	99⅛	80	100	99½
Lake of Woods, com.	12	6.44	186	185	185	186	90	186	185
Maple Leaf, com.	.	....	94	80	85	80	444	94	80
Do. pref.	7	6.98	100¼	98¼	99	98¼	98	100¼	98
Ogilvie Flour, com.	12+13	6.58	380¼	380¼	380¼	379	5	380¼	374
St. Lawrence Flour	6	9.37	64¾	63	63	65	185	65	63
Western Can. Flour	8	7.33	109	109	109	..	20	109	109
Utilities—									
Bell Telephone	8	5.92	136¼	133	134	136½	1301	137	133
Consumers Gas	10	5.71	170	169	170	169	103	170	169
Dom. Telegraph	6	6.41	..	..	..	..	..	46¼	46¼
Kaministiquia	8	7.69	105	103	104	103	978	105	103
Mackay, com.	7	5.95	117½	116	117¼	116½	712	117½	116
Do. pref.	4	5.79	69	69	69	69	44	69	68¾
Mexican Light, com.	.	....	22	22	22	..	92	22	22
Montreal L.H.& Pr.Cons.	7	4.36	160½	154½	159½	154¼	10185	160½	152
Montreal Telegraph	8	6.03	53	53	53	..	40	53	53
Ottawa L. H. & Pr.	6	6.12	101	98	100	100	508	101	97
Do. pref.	.	....	101	100½	100½	101¼	145	101¼	100½
Quebec Power, com.	.	....	89	87	89	87	231	89	85
Do. pref.	7	6.60	..	..	..	..	..	106	106
Shawinigan	7	5.22	134	132	133	132¼	949	134	130½
So. Can. Power	1.00	....	68	67	68	67¼	77	68	67
Transportation—									
Can. Pacific Railway	10	6.57	152¼	151	151	151	146	152¼	149½
Canada Steamships, com.	.	....	12	11	12	11½	78	12	11
Do. pref.	.	....	49	47½	48	47½	925	49	47
Tractions—									
Barcelona	.	....	21½	21½	21½	21¼	25	23	21½
Brazilian	4	7.11	56⅜	55½	56	55⅜	10996	56⅜	54¼
Detroit Un. Rly.	.	....	29	27	27	27	240	29	25½
Duluth-Superior	.	....	37⅛	35¼	37⅛	35¼	416	38	35
Illinois Traction, pref.	6	6.48	92½	92	92½	92	63	92½	92
Montreal Trams	10	5.83	171½	171½	171½	172	5	171½	171½
Ottawa Traction	4+1	6.34	63	62	63	..	4	63	62
Porto Rico Rly., com.	.	....	36	35¼	36	36	287	36	35¼
Do. pref.	7	8.23	86	84	86	84	49	86	84
Twin City, com.	4.00	6.32	64⅛	62½	63	62⅞	1778	66	62
Do. pref.	.	....	..	..	..	..	..	94½	94½
Winnipeg Elec., com	.	....	40	36¼	38¼	36½	2912	40	36¼
Do. pref.	7	7.71	90	88	90	87	607	90	87
Textiles									
Can. Conn. Cotton, pref.	8	....	46	46	46	..	25	46	46
Can. Converters	7	8.61	81¼	80	81¼	81½	245	81½	80
Can. Cotton, com.	8	7.27	110	106	110	..	15	110	106
Can. Woollens, com.	.	....	5½	5½	5½	..	5	5½	5½
Do. pref.	.	....	40	40	40	..	12	40	40
Dom. Textile com.	4.00	5.97	67½	67	67½	66	198	67½	66
Do. pref.	7	6.25	112	111	112	..	57	112	111
Montreal Cotton, com.	6	6.41	95	95	95	..	45	95	95
Do. pref.	7	6.36	110	109	109½	..	46	110	109
Penmans, com.	8	5.28	151½	150½	151¼	150¼	160	151½	150½
Do. pref.	6	6.00	100	100	100	..	5	100	100
Wabasso Cotton	4.00	6.89	..	..	..	..	..	58	58
General Industrials—									
Amer. Salesbook, com.	5	....	40	38	39	38½	70	40	38
Do. pref.	7	7.77	90	90	90	..	37	90	90
Asbestos, com.	.	....	38	38	38	35	195	38	38
Do. pref.	6	7.84	76½	73½	76½	..	1310	76½	73½
Atlantic Sugar, com.	.	....	21	14	20⅜	13	7043	21	13
Do. pref.	.	....	55½	40½	54½	40	2015	55½	40
Bird & Son, pref.	7	8.43	83	83	83	..	30	83	83
B.C. Fishing	.	....	22	19	22	20⅛	412	23½	19
Burt, F. N., com.	10	6.96	142½	142	142½	137	55	142½	140
Do. pref.	7	5.34	..	..	..	..	..	42½	42½
Canada Cement, com.	6	6.54	92	90½	91½	91½	537	92½	90½
Do. pref.	7	6.48	108¼	108	108¼	107½	126	108¼	107½
Can. Gen. Electric, pref.	7	6.00	59⅞	56	57⅜	54½	176	59⅞	54½
Can. Indust. Alcohol	8	....	20½	19⅜	19⅜	18	9738	20⅛	18
Canadian Salt	8	6.86	..	..	..	..	..	116½	116½
City Dairy, com.	12	4.28	70	65½	69	62⅜	829	70	65
Do. pref.	7	6.54	107	107	107	..	15	107	107
Crows Nest Coal	.	....	..	..	..	..	..	47	47
Cuban Can. Sugar, com.	.	....	7	6¼	7	6	78	7	6
Do. pref.	.	....	36	35	36	35	520	36	35
Dom. Canners, com.	.	....	60	57	58½	95⅜	1595	60	56½
Do. pref.	7	7.21	97	96	96	95⅜	30	97	95⅜
Dominion Glass, com.	7	6.14	115	113⅞	115	114	850	115	113⅞
Dominion Stores, com.	1.00	....	33	28½	29	34	316	34	28½
Do. pref.	8	8.16	98	97¾	98	96	15	98	97½
Davies, Wm. (A)		....	28	27	28	26	435	28	26
Eastern Theatres, com.	.	....	15	15	15	14½	100	15	14½
Goodwins, pref.	7	9.33	75	75	75	..	25	75	75
Goodyear Tire, pref.	7+1½	7.40	95	94	94½	89¼	290	95	90
Lyall Construction	.	....	14	14	14	11	25	14	11
Macdonald, A.	.	....	4½	4½	4½	..	15	4½	4½
National Brew., com	4.00	6.25	64	62½	63¼	61¼	2731	64	62½
Pacific Burt, com.	6	6.34	..	..	..	..	..	94½	94½
Do. pref.	7	6.60	107	106½	107	106¼	19	107	106½
Port Hope Sanitary, com	.	....	..	..	..	..	..	55	53
Rogers, Wm. A., com.	.	....	56¼	56¼	56¼	56	25	56¼	50
Russell Motor, pref.	7	8.80	79½	79½	79½	74½	65	79½	74½
Sherwin-Williams, com	6	5.15	116½	116	116	115	100	116½	115
Do. pref.	7	6.60	106½	106	106½	104¾	85	106½	104¾
Sterling Coal	4	8.00	50	50	50	47½	225	50	50
Tooke Bros., pref.	.	....	37	37	37	..	7	37	37
Tuckett Tobacco, com.	4	6.78	59	59	59	..	5	59	59
Do. pref.	7	7.14	98	96½	98	96¼	77	98	96¼
Woods Mfg., pref.	7	10.60	66	64⅛	66½	68	357	66	64⅛
Trust and Loan—									
Canada Landed	10+1	6.70	82	82	82	80	12	82	80
Can. Permanent	12	6.28	193	190½	193	190	20	193	190
Colonial Invest.	6	....	..	..	..	..	..	..	..
Hamilton Prov.	10	6.66	..	..	..	..	..	..	..
Huron & Erie	7+½	6.00	..	..	..	..	..	..	..
Landed Banking	9	6.42	..	..	..	..	..	..	..
Montreal Loan	12+1	7.02	..	..	..	..	..	45	45
National Trust	12	5.66	212	212	212	210	18	212	210
Ontario Loan	11	6.02	100	100	100	100	25	100	100
Real Estate Loan	7	7.86	..	..	..	..	..	..	..
Toronto Gen. Trusts	12	5.66	..	..	..	..	..	..	..
Toronto Mortgage	10	5.71	87¼	87¼	87¼	..	7	87¼	87¼
Union Trust	7	8.23	85⅛	85⅛	85⅛	..	20	85⅛	85⅛

MINING STOCK QUOTATIONS

WEEK ENDING JANUARY 13

	Div. Rate	Yield Jan. 13	High for wk.	Low for wk.	Close Jan. 13	Close Jan. 6	Sales for wk.	Range 1925 High	Range 1925 Low
Apex	..	....	3	3	3	3¼	500	6	3
Algonquin	..	....	..	..	..	..	....	1	1
Argonaut	..	....	38½	35	35	38	95400	42	29
Atlas	..	....	5	4½	4½	4¼	13800	5	3¾
Baldwin	..	....	2⅛	2½	2½	2	54500	3	2
Beatty	..	....	1¾	1½	1¾	1½	27000	1¾	1
Beaver	..	....	32½	27	32½	27½	99200	32½	26
Bidgood	..	....	6¾	6	6¼	6⅛	13500	6⅜	5⅛
Boston Creek	..	....	7	4½	4½	5	5000	7	4½
Buckingham	..	....	4¾	4	4	5	45000	5	4
Can. Lorrain	..	....	50	46½	47½	50	14500	50	46½
Capitol	..	....	36½	34	34	36¾	21200	37	34
Castle Tre.	..	....	79½	78	79	79	25400	83	71
Clifton	..	....	17¾	17	17½	17	74700	17¾	16
Coniar'm	..	....	2.20	2.20	2.20	2.45	50	2.45	2.20
Coniagas	5	10.87	2.30	2.25	2.30	2.20	800	2.30	2.20
Cons. Smelters	6	3.00	53	49	52¼	49	22627	53	48
Cons. W. Dome	..	....	20½	18	18¾	20	146800	22	16½
Col. Kirkland	..	....	5¼	4	4	5¼	18000	5¼	4
Crown Res.	..	....	53	51¼	52½	53	54400	54½	48
Davidson C.	..	....	4	3⅜	3⅜	..	5700	4	3⅜
Dome Mines	2.00	13.33	15.40	14.25	15.00	14.40	15872	15.40	13.25
Everett	..	....	6	5¼	5¼	5¾	73300	6¼	5¼
Gold Reef	..	....	1½	1½	1½	..	500	1½	1½
Goldale	..	....	21	19½	20½	21	31800	22	19½
Hattie	..	....	2⅜	1⅞	2⅛	2¼	183000	2⅜	1⅝
Hattie, pref.	..	....	64	56	64	56½	13175	64	52
Hillcrest, pref.	7	....	60	60	60	..	10	60	60
Hollinger	13	4.37	15.15	14.80	14.85	15.00	7318	15.65	14.80
Hunton	..	....	6	5½	5¼	5⅝	189500	6¼	5½
Inspiration	..	....	10	10	10	10	1000	10	7
Indian	..	....	9	7½	8	8½	12900	9¼	7½
Keora	..	....	12	11	11¼	11	76500	13¾	9½
South Keora	..	....	25	22¾	24	23	10200	25	21¾
Keeley	24	11.06	2.21	2.14	2.17	2.16	14095	2.25	2.14
Kirk. Rand	..	....	42¼	40	41	..	17200	42¼	40
Kirk. Lake	..	....	45	38	45	39	166550	45	35
Lakeside	..	....	13	10½	11	13	49400	13	9¼
La Rose	..	....	17	11	17	12	31300	20	7½
Lake Shore	20+5	5.15	5.00	4.80	4.85	4.85	12760	5.00	4.51
Lorrain J. L.	..	....	1.32	1.30	1.30	1.34	700	1.34	1.30
Lorrain	..	....	19½	17¾	18	19	60900	20¾	17
McIntyre	20	5.96	16.80	16.40	16.75	16.85	3921	16.80	16.00
McKinley	..	....	19	17	19	19	40000	22	15¼
Mining Corp.	..	....	3.10	2.85	3.00	3.00	17250	3.16	2.85
Moneta	..	....	17	17	17	17	1500	18¼	16¼
Inter. Nickel, com.	..	....	25⅜	25¼	25½	26½	100	25⅜	25½
Newray	..	....	28	27	27½	27	9000	28½	25
Nipissing	12+6	13.43	6.80	6.60	6.70	6.75	1085	6.80	6.50
Night Hawk	..	....	30	28	28	..	2300	30	28
Ophir	..	....	4	3¾	3¾	3	19600	4½	3
Pete Lake	..	....	10⅜	9¾	10⅛	10¼	26600	11	8¼
Preston E.C.	..	....	11	10½	11	11¼	7100	11¼	9⅜
Teck Hughes	..	....	1.37	1.30	1.37	1.30	76800	1.37	1.23
Timiskaming	..	....	27	25	27	23	6600	27	20¼
Tough-Oakes	..	....	45	40	42	40	67550	45	39
Trethewey	..	....	18	17½	18	17¼	5100	19	16¼
Skead	..	....	..	..	..	..	....	20	19½
Victory Silver	..	....	29	27¼	29	27¼	58150	29	20½
Vickers	..	....	12	11	11½	12	17500	13	10½
Vipond Cons.	..	....	1.40	1.37	1.37	1.40	12103	1.42	1.33
Wakenda	..	....	2	1½	2	2	4500	2	1½
Wasapika	..	....	2⅜	2½	2½	2¾	8000	2⅜	1⅞
West Tree	..	....	4	3⅜	3½	4	22000	5	3⅜
Wettlaufer	..	....	14	13	13	14	8900	16	12
Wright-Har.	20	4.59	4.40	4.25	4.35	4.38	3134	4.40	4.20
Oil Companies									
B.A. Oil	8+2	6.20	40¼	38	40¼	38½	8642	40¼	37
Imperial	12	2.42	124	122	123½	121	866	124	1.20
Inter. Pat.	25c	1.00	24¼	23¾	24½	24⅜	1187	25¼	23¼
Mutual	10	3.58	14⅜	12¾	14⅜	12¾	11095	14⅜	12¾
North Star, pref.	..	....	..	..	..	..	....	3.90	3.90

BOND MOVEMENTS OF THE WEEK

WEEK ENDING JANUARY 13

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	6.94	83½	75	81	80¼	80¼	—	80¼	—
Canada Bread	6	1941	5.81	102½	99	102	102	—	102½	102	—
Dom. Textile (C)	6	1925	5.73	101¼	100	100¼	100¼	—	100	100¼	—
Can. Felt	6	1940	6.30	97½	97½	97	97	97	—	97	—
Quebec Rly.	5	1939	6.02	92	80	90	90	—	89¼	90	—
Wayagamack	6	1951	7.22	86	74	85½	84¾	85	—	85½	85
War Loan	5	1925	3.97	100.95	100.15	100.85	100.70	101.00	100.90	100.85	100.70
Do.	5	1931	4.62	102.40	100.60	102.25	101.90	102.35	102.25	102.25	102.10
Do.	5	1937	4.59	103.85	102.20	104.25	103.80	104.15	104.05	103.85	103.80
Victory Loan	5½	1927	4.51	103.05	102.05	102.75	102.50	102.80	102.70	102.75	102.50
Do.	5½	1933	4.64	106.70	104.30	106.20	105.90	106.30	106.20	106.20	106.00
Do.	5½	1934	4.94	104.70	102.35	104.30	104.05	104.35	104.25	104.30	104.10
Do.	5½	1937	4.62	108.90	106.15	108.50	108.25	108.65	108.55	108.50	108.47
Do. Renewal	5½	1927	4.86	102.70	101.50	102.80	101.70	102.15	102.00	101.75	101.70
Do. "	5½	1932	4.99	103.95	102.10	103.45	103.10	103.55	103.45	103.45	103.10
Do. Refund	5	1928	4.78	100.85	99.40	100.90	100.85	100.90	100.80	100.90	—
Do. "	5	1943	4.83	102.85	99.00	102.25	101.85	102.00	101.90	102.05	101.90
Do. "	4½	1944	4.81	97.15	97.05	96.10	96.00	96.10	96.00	96.10	96.00

UNLISTED SECURITIES

Industrials, Utilities, Etc.—	Bid	Asked
Anglin Norcross	60	..
Belgo Can. Paper, com.	80	..
Belgo Can. Paper, pref.	95	95¼
Brooks Steamer (1 pref, 2 com.)	6½	8
Can. Machinery, com.	4	6
Can. Machinery, pref.	12	16
Canadian Oil, com.	33	36
Can. Westinghouse, pref.	137	140
Copeland Flour, com.	10	13
Copeland Flour, pref.	..	55
Cockshutt Plow, pref.	25	28
Dom.Comb.Mills (1 pref, 2 com)	65	75
Dom. Linens, com.	4	10
Dom. Power, com.	31	34
Dom. Power, pref.	97	99
Durant "A"	4½	5½
Durant "B"	5¾	6½
Durant "C"	7½	8½
East Kootenay Power, com.	45	48
English Electric, pref.	40	43
Famous Players, com.	14½	16
Famous Players, 8 % pref.	74	75
Gunns, Ltd., pref.	34	37
Dryden Paper	3	..
Illinois Power, pref.	93	..
Laurentide Power, 5 %	93⅛	..
Imperial Tobacco	5⅜	6½
King Edward Hotel Deb. A.	59	..
King Edward Hotel Deb. B.	40	..
K. & S. Tire, pref.	10	13
Loew's Toronto, com.	27	30
Loew's London, com.	1½	2
Loew's London, pref.	5	6
Loew's Ottawa, pref.	18	22
Massey-Harris	31	33
Mount Royal Hotel, com.	4	5½
Mount Royal Hotel, pref.	33½	35
North Mexico Power, com.	20	23
National Brick, pref.	67	..
Manitoba Power, com.	20	21
Paton Mfg., com.	40½	..
Paton Mfg., pref.	..	95
Rickenbacker Motors	4	5
Simpson, Robt., pref.	96½	98
Western Grocers, pref.	31	33
United Securities, com.	..	56
United Securities, pref.	103	..
Loans and Insurance—		
Brit. Am. Assur.	6	7
Capital Life	21	25
Chartered Trust	80	90
Continental Life	28	..
London Loan	45	..
Manufacturers Life	56	58
Mortgage Discount Units	8	10
Monarch Life, 10 % paid	14	16
Peoples Loan	74	81
Sovereign Life	19	22
Western Assurance	7	9

CHICAGO Y.M.C.A. HAS REPUDIATED SHERWOOD EDDY

(Continued from page 1)

created an erroneous impression regarding the Chicago Young Men's Christian Association which we desire to correct. It should be understood that Mr. Eddy is not connected with the Chicago Association and has no authority to speak for it.

"We specifically and unreservedly disavow and repudiate any approval of objectors, conscientious or otherwise, who refuse to respond to their country's call in the time of war.

"While deploring war and desiring by every honorable means to avoid it, nevertheless if war should come, the Chicago Association will devote all its energies to the service of our country."

In addition to the above THE POST has received a copy of "The King's Business," a religious newspaper, from an Ontario Y. M. C. A. worker, with an editorial by Rev. T. C. Horton, Presbyterian minister and Y. M. C. A. official, who has a Sunday school in Los Angeles of 8,000 young people. He writes: "Sherwood Eddy is a sample of the leadership that is now wrecking the faith of hundreds of our young men and women," etc.

SPEED WAGON
THE GOLD STANDARD OF VALUES

CHASSIS

$1695

Plus freight—all taxes included

Carrying a full load or returning empty, the Mighty Speed Wagon offers the most economical motor transportation in the world today

See the Reo Exhibit at the Montreal Show.

Dominant in Every Field of Commercial Haulage

Reo Motor Car Company of Canada, Limited
Windsor, Ontario
To Be a Speed Wagon It Must Be a Reo

Imperial Oil to Issue New Shares on 4-1 Basis

Imperial Oil shares are to be split four for one and par value abolished. At present the par value is $25. The stock is selling at 124, which will make the value of the new shares 31. The dividend rate has been a varied one, as will be seen from the table below, which shows capitalization and dividends:

Year	Capital	Dividend
1918	$30,000,000	16%
1919	30,000,000	12
1920	35,000,000	12
1921	39,391,025	12
1922	39,605,225	12
1923	40,026,825	16
1924	40,133,125	12

The company operates six refiners in Canada, with a capacity of 40,000 barrels. It controls Imperial Oil Refineries, Imperial Pipe Line Co., and International Petroleum, a large producing and export concern operating in Central and South America. No little interest centres in the activities of the company in its intensive search for oil in Alberta. It is believed that in this quest the company must have expended between $4,000,000 and $5,000,000. There are indications of some success. It controls the Royalite Co., which has a large wet gasser near Calgary, and which promises a revenue of somewhere near $4,000,000 or more yearly. It has numerous other wells drilling. Pres. O. C. Stillman says the split in the shares is to widen the investment interest in the company.

Rowell is New President of Toronto General Trusts

Announcement is made by the Toronto General Trusts Corporation of the appointment of Hon. N. W. Rowell K.C., LL.D., as president, and Charles S. Blackwell as a vice-president.

Mr. Rowell is the fifth president of this corporation, the line of succession being Hon. Edward Blake, K.C., Dr. John Hoskin, K.C., Hon. Featherston Osler, and Sir Edmund Walker. Mr. Rowell is a prominent member of the Ontario bar, and well known throughout the Dominion. He has taken an active part in the work of the League of Nations, and was Canada's representative at the first assembly held at Geneva. He has been closely identified with large business interests, and brings to bear on the business of the corporation a mature judgment and broad legal experience.

Charles S. Blackwell, who has been appointed a vice-president, is well known in business life of Canada. Formerly vice-president of Matthews-Blackwell, Limited, he retired from that company in 1919. Mr. Blackwell is a director of the Dominion Bank, and is also chairman of the board of governors of the Toronto General Hospital.

RAILWAY EARNINGS

Canadian Pacific Railway

Week end:	1925	1924	Change
January 7	$2,492,000	$2,986,000	—$494,000

Canadian National Railways

Week end:	1925	1924	Change
January 7	$3,593,126	$4,018,709	—$425,583

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ASSETS exceed $44,000,000.00

Iron and Steel

1924 WAS WORST STEEL YEAR NOVA SCOTIA HAS HAD

Output of Besco Plants Declined Greatly From Previous Year

From Our Own Correspondent.

MONTREAL.—The extent of the decline in activity at the plants of British Empire Steel during 1924 is revealed by figures of production for the year, now available. According to one Sydney correspondent,

The management of the British Empire Steel Corporation is of opinion that in the main essentials of production, sales and employment, the year 1924 was probably one of the worst experienced in the history of the steel trade in Nova Scotia. World-wide depression in the metal trades, the unsettled condition of European commerce and currency, which invariably precedes the United States Presidential election, may be held largely responsible for this situation. With home markets sluggish, it is but natural that the producers of the United States, and the recently reorganized selling syndicates of Germany and Belgium, should immediately avail themselves of the opportunity afforded by any tariff, and with their respective cost reducing volumes of production and inflated currency, defy all competition from Canadian manufacturers.

Steel Ingot Output Down

"Steel ingots," the term used to indicate steel in its original form—before it is converted into the numerous products in which it ultimately reaches the consumer—may be taken as a basis for comparison. In pre-war days—1910-1914—Nova Scotia's ingot production averaged some 400,000 tons. These figures, when compared as below with the outputs of the last three years, indicate without further comment the extent to which the industry has suffered:

Year	Output per Year Gross Tons
1910-1914	400,000
1915-1918	450,000
1922	139,021
1923	297,842
1924	186,000

The production of the different branches of the corporation in 1924 was as follows, comparative 1923 figures being given as well:

DOMINION STEEL CO., SYDNEY

	1924 t'ns	1923 tons
Pig Iron for sale	45,339	69,832
Steel blooms & billets for sale	12,970	10,786
Steel blooms, to Scotia for further manufacture	32,789	73,433
Steel rails, standard	74,061	56,151
Steel rails, light	......	3,791
Wire rods	15,619	47,034
Steel bars, etc.	3,788	4,580
Wire	7,346	14,863
Wire nails and staples	7,345	8,545
Wire fence	3,749	6,467
Sulphate Ammonia	4,775	7,050
Benzol, etc.	454,834 gals.	1,045,629 gals.

NOVA SCOTIA STEEL & COAL, TRENTON

	1924 t'ns	1923 tons
Steel bars, angles, channels	23,194	34,072
Steel Plates	1,384	9,350
Steel rails, light	339	2,564
Steel fish plate and splice bars	5,961	4,076
Steel shafting	82	124
Steel Axles	6,844	11,440
Steel miscellaneos forgings	470	834
Steel bolts, nuts & rivets	1,550	2,650
Steel Spikes	1,944	4,811

EASTERN CAR COMPANY

	1924 t'ns	1923 tons
No. of cars built	711	1,109

ORE MINES AND QUARRIES

	1924 t'ns	1923 tons
Iron ore mined	655,118	742,387
Limestone quarried	120,125	281,726

Comparative shipments were as follows:

	1924 t'ns	1923 tons
Wabana ore, exported	821,580	301,085
Iron & steel products	184,499	282,541

DOMINION TAR AND CHEMICAL CO.

Coal Tar—4½ million gallons.
Creosote—1,750,000 gallons.
Pitch—140,000 tons.

Seventy per cent. of the creosote was shipped to Canadian points and the remainder went to the United States.

Course of Year's Activities

It is further stated by the company management that delay on the part of the miners and operators to arrive at a settlement of the wage question, and the consequent precarious supplies of coal for fuel and coking purposes, seriously curtailed steel production during the months of January and February. With the signing of a wage agreement on February 11, however, operations were resumed, and maximum productions were obtained in many departments during March, April and May. In June the demand for steel products gradually began to decline, until through lack of business the plants at Sydney and Trenton were compelled to close down early in August. From August to December operations have been very light, being limited entirely to the small amount of business obtainable, advantage being taken of every outlet for steel. The export business, greatly assisted by the British preferential tariff, has been gradually developed in New Zealand and has absorbed a considerable portion of the rods, bars and wire products produced.

WHY BESCO CHARGES N.S. MORE FOR COAL

Coal Shipped to St. Lawrence Must Meet Competitive Price, as it Meets American Coal

From Our Own Correspondent.

MONTREAL.—Writing to THE FINANCIAL POST, a prominent Maritime business man protests against the prices charged by the British Empire Steel Corporation for the coal it sells in Nova Scotia. He states "The price we have to pay for coal down here would make you weep if you were a consumer here. Besco is selling coal in Montreal for half what it will sell to us at Halifax. Most of us are opposed to any further addition to the duty as it will certainly increase the cost to us."

From sources close to the British Empire Steel Corporation, the following explanation of this peculiar situation has been received. It will be seen that the corporation's policy is much the same as that adopted by manufacturers who sell in export markets at less than home prices in order to get larger production, that will enable them to reduce their prices at home.

"In Montreal the producer of Nova Scotia coal meets the competitive price existing on imported American coal, and must meet that price in order to sell the coal. The more he can increase sales in Montreal, the more he can increase the output at the mines and thus reduce the cost of coal. In the reduction of the cost of coal he can make a lower price in the non-competitive districts in Nova Scotia; that is, non-competitive as far as American coal may be concerned. All coal sold in Montreal even at lower prices than those of Nova Scotia, tends to make cheaper prices in Nova Scotia.

"A very large portion of the coal that is used in Halifax is mined in coal mines on the mainland of Nova Scotia and not in Cape Breton. This coal is shipped by rail into Halifax and to a large extent is household fuel, and delivered by various retailers the same as anthracite is in any other community. The cost of such delivery is very high, and it is sometimes thought that the profits or earnings of the dealers are too large. One of the faults is that there are too many dealers. However, it generally works out that the cost of bituminous coal on contract in Halifax is little higher than the cost of coal in Montreal. The coal produced from the mainland mines of Nova Scotia costs considerably more per ton than the production in Cape Breton, which serves the St. Lawrence market. The consumers in Halifax also want particular coals that they think are best adapted for domestic use."

Besco Steel Plant to Open Full; Miners Make Terms

SYDNEY, N.S. — Current happenings all indicate that the moment some kind of an agreement is reached with the miners, the Besco steel plant here will open full blast in all departments, after being idle since last August. The rod and bar mills, and wire and nail mills all started up this week and are working full time.

CATTLE COMPANY GIVES REAL HELP TO THE FARMER

Co-operates in Buying, Finishing and Marketing

A practical effort bringing practical results in the direction of encouraging livestock farming in Western Canada is that being conducted by the Manitoba Cattle Loan Company. Organized and financed by various mortgage loaning and general business interests of Winnipeg, the idea is to not only demonstrate that fattening cattle for market is good business, but to back up the demonstration by financial co-operation for those who will follow the expert advice as to purchasing, finishing and marketing stock which the officials of the company offer.

The report of operations of the company for 1924, issued by G. G. Gatch, the manager, says that the results were satisfactory, but that high prices for grain and the failure of the corn crop have so altered the situation that the number of cattle being fed has been greatly curtailed; it is estimated that the total is only about a quarter of what was being fed a year ago. The advice of the company, however, is that grain-feeding will pay in spite of high grain prices, and the opinion is expressed that farmers made a mistake in disposing of their stock. The report continues:

We believe that results this year will prove that the man who makes the real profits is the man who "sticks to the game." The "In-and-Outers" are not the farmers who grow wealthy or build up any community on a permanent basis. We made the statement once before that the development of the State of Iowa as the greatest feeding centre and the richest agricultural commonwealth of the United States was only accomplished by consistent feeding year after year.

The results actually secured by our customers last year fully demonstrated the profitableness of winter feeding, even though the great majority had never had any previous experience. In submitting the results we wish to state that we were very careful to obtain accurate figures from our customers. We have the details on file in our office and are prepared to show them to any interested parties. Of ninety-seven loads distributed up to January 1, 1924, we have definite reports as to results on sixty-eight loads, and these may be considered representative. Of the sixty-eight:

55 or about 81 per cent. made money.

5 or about 7 per cent. realized market price for their grain.

8 or about 12 per cent. experienced loss.

Net profits ran all the way from 52 cents per head in the lowest instance to $22.24 per head in the highest, the average being $9.50 per head over and above all charges for buying, shipping, selling, etc. We attribute this good showing on the part of so many inexperienced feeders to the care we took in the selection of the cattle as well as to the subsequent supervision and service which we rendered to our customers.

The company provides service for the farmers in securing desirable stock, in making advantageous sales, and in field supervision during the period of fattening and finishing.

On the basis of statistics the company shows convincingly from the experience of years that low prices for stock are in November or December and high prices in May or June, and that, therefore, by winter feeding, stock raising can be made to pay, even though feed costs may be high.

The Cement Plants Were at 50% of Capacity in 1924

From Our Own Correspondent.

MONTREAL.—According to Frank P. Jones, president of Canada Cement Company, Limited, cement business in Canada during 1924 was not entirely satisfactory. The consumption was only approximately 50 per cent. of the producing capacity, although Canadian manufacturers have reduced the prices to the point where to-day cement is selling in Canada below the price on the continent and at a lower price than that charged by the British companies in England.

Mr. Jones points out that the Canadian export business in cement is dwindling almost to the vanishing point, due to freight rates from Canada. This is largely because such a very great percentage of our imports, especially those from the West Indies, Central and South America, come through the United States. The United States producer, therefore, has the benefit of the boats going back and the Canadian producer cut off from this business. It is estimated that over 90 per cent. of our imports from the West Indies, Central and South America come through United States ports and as a result in a great many of these countries we have no direct service. Mr. Jones points out that if it were possible to bring these imports to Canadian ports, it would not only benefit the Canadian ports in question but would increase the volume of business over Canadian railways, and give Canadian producers of all kinds of goods a chance to export goods to the countries from which these vessels bring goods into Canada.

The president of Canada Cement Company declares that the future of his company depends entirely on the future of Canada, that is on the growth and prosperity of the Dominion.

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Manufacturers of
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Port Arthur News-Chronicle: Port Arthur is now ready to see fulfilled the assurance given by Premier Ferguson and Minister Lyon that the pulp and paper mills now in existence will be amply taken care of in the shape of wood supplies.

Upon the successful operation of its pulp and paper mills Port Arthur depends very largely for whatever success it may attain in the way of industrial development.

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A greatly improved transcontinental service is provided by the Canadian Pacific Railway in the Vancouver Express leaving Toronto every night at 9.00 p.m. (effective January 11) for Vancouver.

Direct connections are made at Regina for Saskatoon, and at Calgary for Edmonton.

Leave Toronto 9.00 p.m.; Ar. Winnipeg 10.00 a.m.; Ar. Regina 11.05 p.m.; Ar. Saskatoon 6.05 a.m.; Ar. Calgary 4.30 p.m.; Ar. Edmonton 11.10 p.m.; Ar. Vancouver 7.00 p.m.

The equipment of the Vancouver Express is of the highest standard, including dining car, Tourist, Standard and Compartment-Observation Sleepers.

Travelling to the West on this train makes the trip a pleasure.

Let your nearest Canadian Pacific agent supply definite information concerning tickets, reservations, etc., and Victoria, Canada's national winter resort, where summer sports may be enjoyed the year round.

Public Utilities

OPPOSITION TO NEW FRANCHISE FOR 'PEG ELECTRIC MAY DIE

City Hydro and Company May Get Together and End War

From Our Own Correspondent.

WINNIPEG.—There have been a number of recent developments in connection with the Winnipeg Hydro Electric, the Winnipeg Electric Company and their relations with each other. Winnipeg Electric has approached the city council with a suggestion that an arrangement might be arrived at whereby the company would cease to compete with the city project in the supply of domestic current in the city of Winnipeg in return for concessions which the city might make. What the company desires in return has not been made clear, but it is generally understood to be an undertaking on the part of the city to leave the supplying of suburban and provincial power to the company. Such an arrangement, if arrived at, would mean a considerable economy in preventing the duplication of pole lines for all the streets of the city. The greatest objection would probably come from the suburban municipalities, most of which, except St. Boniface, look forward to eventual incorporation with the city, and who will fear that the chances of such amalgamation may be seriously injured if they are tied up with any exclusive franchises to the city's competitor in the electric business.

The city service is now short of power, and Winnipeg Electric has power to spare, so the city is purchasing a block of power from its compeitor. The two power sites on the Winnipeg River are fairly close together. The city plant is suffering from a state of low water, partly due to a leakage in its own dam, and partly due to the bad repair of the dam at the outlet of the Lake of the Woods, which is to be repaired.

This power situation may have a good deal to do with the question of possible purchase of the street railway, which comes up for discussion this year, owing to the company's expiring franchise. If the city needed the street railway as a customer for part of its power, there would be a good deal of pressure to exercise the city's right of purchase. But the city has evidently no such immediate need and it would be the height of extravagance to make further power developments on the sites owned by the city for the purpose of supplying power for street cars, when power owned by the company is going to waste. There are few complaints in Winnipeg about the quality of street car service, except from a few outlying districts which are not yet adequately served, and which are not likely to be until the question of the extension of its franchise is settled. No suggestion is made that better service on existing lines, or lower fares, would be obtainable under municipal operation. Opposition which developed a few years ago when the railway sought an extension of its charter largely resulted from the feeling that the city needed the street railway to complement its system. Now that the idea is gaining ground that there will be room for both power projects, the inclination of the majority of people, or at least the majority of rate payers, is to let the company continue the operation of the railway. It is possible that if the question of franchise extension is put to the whole electorate, a majority might be registered against it, partly influenced by general anti-corporation feeling, but it is quite unlikely that a majority of ratepayers could be found to vote the money for buying out the system.

A halt has been called in the Hydro-Electric's campaign to instal electric stoves in apartment blocks, which up to the present have nearly all employed gas (supplied by the company) for cooking, as an examination of results by the council showed that the city was incurring an annual loss on the project. Thus a large number of customers for gas are conserved for the company, for a time at least, although the range campaign is to be still further discussed by the new council.

There is a movement on foot to take the management of Hydro out of the direct control of the city council, and place it under an independent commission.

Laurentide Power Will Enlarge Its Bond Issue

From Our Own Correspondent.

MONTREAL.—Laurentide Power is planning to redeem its present general mortgage bonds, held entirely by the Sun Life, in order to issue $2,000,000 of new bonds.

A special general meeting of shareholders has been called for Jan. 23, for the purpose of considering a by-law authorizing the issue of $2,000,000 general mortgage sinking fund gold bonds.

It is stated that the proceeds of this issue will be used in part to redeem the present outstanding issue of general mortgage, 7 per cent. sinking fund gold bonds of the company, which amounts to $1,434,000, according to the last available balance sheet, and it is understood that the balance will be used for the purpose of plant extensions to be made at some later date, the money to be kept in the treasury until required for that purpose.

The issue to be redeemed comprises $1,500,000, 7 per cent., 20 year sinking fund gold bonds, dated May 2, 1921, and was issued to provide funds for the installation of an additional 40,000 h.p. at Grand'Mere. The entire issue was purchased by the Sun Life Assurance Co. of Canada. According to the annual statement for the year ended Dec. 1, 1923—the latest available—the amount of the issue outstanding is $1,434,000, the difference of $66,000 not having yet been called.

Aside from the above bond issue the company has outstanding an issue of $7,500,000, 5 per cent. first mortgage, 30 year sinking fund bonds, due 1946. The capital stock of the company consists of $10,500,000 common stock divided into 105,000 shares of the par value of $100 each.

British Columbia Electric Spent $3,000,000 in 1924

British Columbia Electric Railway spent over $3,000,000 on new construction in 1924, according to George Kidd, president of the company. Mr. Kidd states:

"Sometimes you hear a little note of pessimism in Vancouver, but I can never see any real reason for depression. While we are not passing through boom times—and it is questionable whether boom times are any good to anybody—we are experiencing a steady but substantial growth, which I am sure will continue and bring with it a greater demand for our essential services—transportation, light, heat and power."

Mr. Kidd estimates that in 1924 the company carried nearly 60,000,000 passengers, lit 62,000 houses and supplied the power for most of the industries in the Vancouver-Victoria districts. He adds:

"In addition to the activities connected with the ordinary operation of the business, we are also conducting a large programme of construction, involving the doubling, or nearly doubling, of our power supply, more than doubling our gas supply, and adding very largely to the transportation facilities of the public.

"During the past year we have spent on construction work some $3,117,000; we have let a contract for boring a tunnel through a mountain about three-quarters of a mile long; we have let another contract for building a dam; we have formed a new company to carry people by the latest gasoline vehicle, known as the British Columbia Rapid Transit Company, to New Westminster; we have built many new transmission lines, and we have almost entirely renewed the electrical equipment of our plant at Stave Falls."

Montreal Trams Growth Will Require Financing

From Our Own Correspondent.

MONTREAL.—Montreal Tramways is likely to require to raise much new capital during the next few years as important capital expenditures on the system are planned. Montreal's rapid growth in the past few years has brought about serious problems of traffic congestion that can only be solved by broad and sweeping changes in the downtown handling of the tramway service.

Construction work will proceed almost at once on a new terminal station on Craig Street, in the downtown section. Here car routes from the east-end of the city and car routes from the northwest ends will be made to meet, avoiding a criss-crossing of lines now in evidence. The terminal station will be a modest affair at first, consisting merely of a covered structure adjacent to the power building, but it may in time become a sky-scraping head office for the tramways company. But small as is the initial structure, the land acquired is costing the company about $500,000.

A committee of citizens and civic officials is now quietly at work producing a town-planning scheme for Montreal, and if some of the suggestions before the committee mature, the tramways company and the city will have to co-operate in the construction of new lines, tubes and "arcades." The latter, while not touching the tramways company directly, will enable it to improve its service. The plan is to move sidewalks on some main thoroughfares back about ten feet, arcading under business structures to allow this to be done.

One of the local newspapers printed a story this week that the company intended to purchase the Montreal and Southern Countries Railway, but this was denied by officials. The line serves suburbs south of the St. Lawrence River and is owned by Canadian National Railways.

Street Railways Have Slowed Up in Expansion

Development of street railway systems in Canada has been quite slow since 1916. Progress has been retarded, points out Mackenzie Williams of A. E. Ames & Co., because of the war and greater operating costs and diminishing profits. He shows the halt in expansion by the following table:

Year	Mileage	Capital Invested
1901	675	26,730,000
1906	814	32,500,000
1911	1,224	111,532,847
1916	1,674	154,895,584
1919	1,696	171,894,556
1921	1,687	177,187,436
1923	1,736	199,069,870

Analyzing the railways from a financial standpoint he says they do not make a very satisfactory showing, which undoubtedly has a great deal to do with their growth. In reviewing a consolidated balance sheet of 64 lines, he makes the point that only in one year out of 5 has there been a surplus—1922. He puts his finger on a troublesome phase when he cites the large proportion which taxes bear to the total corporate income. In 1923 the total corporate income of all roads amounted to $17,960,000. In the same year taxes amounted to $1,958,000 or 10.9 per cent. of the corporate income. It should also be pointed out that as sixteen of the roads are owned and operated by municipalities they therefore, pay either no taxes or only nominal taxes. The tax deductions are contributed mainly by the remaining roads. The privately owned Montreal Tramways contributed in taxes in 1923, $451,757, as compared with the Toronto Transportation Commission's contribution of $62,906 in the same year.

It is interesting in this connection to see how the publicly owned street railways have fared. Though these roads have the advantage in the matter of paying either no taxes or at most nominal taxes, in 1923 fourteen of the publicly owned roads had deficits aggregating $698,087.01 and six had suploses aggregating $364,716.45.

Public Utility Earnings

Winnipeg Electric

November—	1924	1923	Increase
Gross Earn.	$466,889	$465,990	$ 898
Oper. exp. & taxes	315,836	340,727	*24,891
Net Earnings	$151,052	125,263	25,789
Fixed Charges	68,426	61,843	6,582
Net Divis. Income	$ 82,626	63,419	19,206

*Decrease.

Jamaica Public Service

Nov.—	1924	1923	Change
Gross Earnings	$48,371	$44,587	+$3,784
Oper. exp. & taxes	32,041	30,104	+ 1,936
Net earnings	16,330	14,482	+ 1,847
Interest charges	6,631	7,666	— 1,035
Bal. for Res. Retirements and Divs.	9,698	6,816	2,882

12 months ending Nov. 30, 1924—	
Gross Earnings	$577,179
Operating Expenses and Taxes	390,053
Net Earnings	187,125
Interest Charges	76,543
Balance for Res., Retire. & divids.	$110,581

RIGHT TO BUY NEW SHARES CAUSES RISE

Preferred of C.G.E. in Demand While No Shares of Common Come Out

Shareholders of Canadian General Electric, of record of yesterday, the 15th, have the right to subscribe to new shares of the new issue of $2,600,000 of preferred stock, which the company is issuing. For every seven shares now held, they can take up three additional shares, if they so desire, at par, but their rights are not transferable. Likewise, holders of common shares who did not turn them in, can subscribe at par for part of the new common issue of a like amount, on the basis of three new shares for eight additional shares held. This explains a good deal of the strength in the preferred shares of late which sold up from 55 to 58½ or 8½ above par. Not a share of the common has been sold on the open market. A statement sent to shareholders is accompanied by an interim report covering ten months' operation, ending October 31, which shows that profits in that period amounted to $1,024,222, as compared with the profits for the whole of 1923 of $1,482,234. On this basis, if earnings for the last two months of 1924 continued on the same average, the total for the year would be $1,229,066, or somewhat lower than the year previous. The figures are given below:

	10 mos. 1924	Year 1923
Profits	$1,924,222	$1,482,234
Interest	358,429	404,152
Balance	$665,793	$1,078,082
Depreciation	529,797	400,000
Net profits	$135,996	$ 678,082
Dividends	442,722	822,985
Surplus	*$306,726	*$144,903
Prev. surp.	6,629,768	6,820,411
Total surp.	$6,323,042	$6,675,508
Transfer	†3,951,909	....
Invest. writ. off	....	45,740
P. & L. bal.	$2,371,132	$6,629,768

*Deficit.

†Transferred to general plant reserve and special reserve.

Working capital position as of October 31, 1924, compares as follows with that of December 31, 1923:

	Oct. 31/24	Dec. 31/23
Curr. assets	$11,453,639	$12,794,135
Curr. liabs.	2,793,930	3,952,263
Net work. cap.	$8,659,709	$8,841,872

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The Royal Bank of Canada

S423

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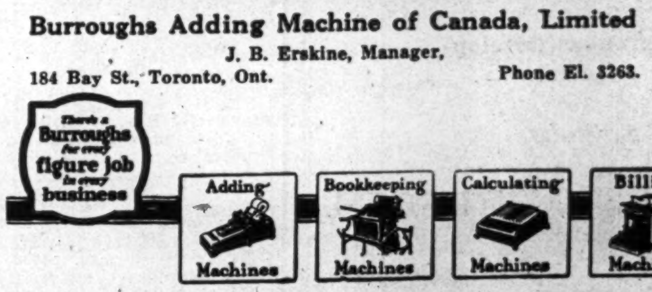

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A Surprising Comparison

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News of the Mines for the Investor

PORCUPINE'S THREE BIG PRODUCERS HAVE LIMELIGHT

Occupy Considerable Attention in Steadily Improving Mining List

While the buying power of the mining market is not great as yet there are indications that it is broadening out. The public is becoming more interested. Inquiries are coming forward steadily and new business is increasing nicely, state leading brokers. On the other hand there are indications that the profit taking which followed the recent rise in the market, has about spent itself and a stiffening of prices is again evident. In the matter of volume, trading has not been on such a large scale. The seasoned issues are claiming the bulk of the attention. It has been the history of movements in the mining list that until the best issues have enjoyed a good share of their run, the small issues are more or less neglected.

Dome had quite a flurry early in the week on strength of a report that Pres. Jules Bache has extended the olive branch to the warring faction at Rochester. The stock was carried up from $14.25 to $15.40 and gradually settled back to $15, over 15,000 shares having changed hands in the interval. There were many who discredited such action on the part of the Dome leader, having in mind the firm manner in which he handled the insurgents at the last two annual meetings. Now there is a second flurry in Dome. This time it is on the strength of a rumor that a new and important discovery has been made at the mine. The suspicion now is that someone is vitally interested in getting the shares up. They are back around 15.30 again.

A steady accumulation of McIntyre seems to be going on, since the movement in mining shares took place. In the past week there was a 25-cent rise to $16.75, which is 75 cents above the opening price at the first of the year. Hollinger, having settled back, after the recent steady climb to well above $15, is now holding strong at the $15 level.

All Three Are Strong

The position of these three big mines, Dome, McIntyre and Hollinger, is very satisfactory. The labor situation is excellent. Other costs are holding firm with the possibility of any movement being downward. All three are carrying out expansion programmes. Dome recently acquired some new properties for tailing disposal purposes. These, however, have also mining possibilities and at the same time it seems certain that Dome will take over the Goldale group which adjoins its Dome Extension section to the north and east. In the meantime Dome is pushing its development in that direction at the same time giving some attention to the basalt which underlies the sedimentary rocks in the western part of the property. This is about the most important geological study that is going on in the camp at the present time.

McIntyre's programme is also one of development. It is sinking its new shaft to open up the mine at deeper levels. The information thus gained will dictate to the company in the matter of mill enlargement. Three or four thousand tons daily is the idea which they have in mind. Incidentally it might be mentioned that in a diamond drill core from 3,000-ft. depth recently, McIntyre is credited with having got gold ore.

Hollinger's programme is a little more advanced than the other two companies. Its development programme is so well in hand that ore reserves are piling up rapidly. Many guesses, running from $70,000,000 to $96,000,000, have been made as to the possible total at the end of 1924. This year the new milling equipment will get under way. One close to the company estimated that 1924 production would be $13,400,000. This is on a basis of around 5,000 tons daily. While 1925 will fall short of averaging 8,000 tons, it will be surprising if 7,000 is not bettered. This means 2,000 tons daily which with the low average of $7 ore means a valuable addition to the gold production. Another feature of the Hollinger situation which has not been in the limelight much of late is the settlement of the power troubles. If the new power company takes over the Hollinger plant, the settlement is bound to ultimately return a goodly sum of money to the company's treasury.

Keeley's New Workings Show 242-ft. of Average Ore

Production at Keeley Silver Mines for the month of December was 124,781 ounces of silver and 13,401 lbs. of cobalt. In the western workings, says Dr. Bell, on No. 16 and No. 28 veins, what appears to be a continuation of "Z" shoot has been disclosed by two northerly crosscuts, one of these being eighty feet and the other one hundred and sixty feet west of the winze which is being sunk on Z shoot proper. From the more westerly cross-cut, ore has been developed for a length of forty-one feet, averaging thirty-five ounces over eleven inches. Drifting from the more easterly crosscut, ore has been developed for thirty-one feet, averaging one thousand ounces over eleven inches. The easterly face of this drift is in high grade; the westerly in mill rock. A further fifty-four feet of drifting is required to connect the two developments recently exposed. Assuming that "Z" shoot and the ore struck in these cross-cuts is the same (which is apparently the case) the ore is now indicated for a length of two hundred and forty-two feet, averaging fifty ounces over forty-two ounces. The sinking of a winze in this ore shoot was retarded by unusually hard rock, and on January 1, a depth of eighty-six feet had been attained.

TOUGH-OAKES-BURNSIDE

Better results have been achieved at the Tough-Oakes Burnside property in Kirkland Lake. The winze sunk 50 feet from the 1,025-ft. level has shown satisfactory results. A better grade of ore has been found and it is believed that millheads will soon be such as to pay expenses. The situation is described officially as being much better than formerly. Hon. F. H. Phippen, president of the company, was at the property for several days.

NEW McKINLEY BOARD

R. Home Smith is the new president of McKinley-Darragh mine, Cobalt. Two factions have been after control. The new board is a compromise. President, Home Smith; vice-president, G. A. McKay; and directors: J. R. L. Starr, R. A. Bryce, A. Singer, J. O'Connor and J. Dobson.

Canada's Mineral Products Worth Millions More if Treated at Home

Various provinces of the Dominion are pushing ahead the development of their mineral resources. Attention is focused on the mining of raw materials with no thought to the treatment or manufacture of these minerals. Just now this is a live topic in connection with pulp wood resources, and it is more than a coincidence that the question of getting more out of the mineral resources should come to the front at the same time in two distinct parts of the Dominion, notably Quebec and British Columbia.

In British Columbia they are agitated over the fact that the province last year produced mineral wealth close to $50,000,000 and had these minerals been manufactured they would have been worth five times as much, claims Vancouver Sun. Instead, they state, these minerals are poured over the border into the U. S. and enrich U. S. institutions.

Dr. C. Camsell, deputy minister of mines, Ottawa, speaking to Montreal Canadian Club, brought up the same subject. The Gazette quotes him as saying:

"Up to the present time the mining industry in Canada had been devoted too largely to getting the raw material out of the ground, while too little attention had been paid to what happens to the raw material after it is extracted. Some of these products, such as copper and nickel, were partly smelted, and the matte exported for manufacture. The result was that other countries made the major profits through their factories, buying Canadian raw materials, or in a semi-manufactured state, and then selling the finished article back to Canadian consumers. The Canadian mines were producing about 40 different minerals, with a surplus of about 40 per cent. over the consumption in the Dominion, and he considered that it would be much more profitable to export our surplus in a manufactured state, thus furnishing employment and making the additional profits out of the manufactured goods."

In next week's mining issue THE FINANCIAL POST will give figures on Canada's trade in minerals and products of minerals. It will show that Canada is a tremendous debtor nation in this regard. As the Ottawa Journal points out, Dr. Camsell said we produce and export $12,000,000 of copper in raw state yet we import manufactured copper articles to the value of $8,000,000. The same with numerous other minerals. Canada abounds in various non-metallic and metallic minerals. This raw material goes to the U. S. and then Canadians pay top price and in many cases duty to get their own material back in manufactured form. As the Ottawa Journal points out:

No one could sensibly advocate an embargo on the export of all Canadian minerals. The reason is that with a limited home market, which, after all, is the only sure market, the effect might be to retard rather than to develop our mineral industry. Capital must have some reckoning with marketing conditions before it can launch lightly upon development. Nevertheless, there remains a vast deal to be done toward the policy of manufacturing mineral products as much as possible at home. Take, as an illustration, the benefit that would come to our railways. Already a great proportion of the traffic hauled by the railways is of a mineral character; with greater development it would perhaps be the greatest single factor in cutting down annual deficits. Yet, somehow or other, it is always of greater wheat yields that we think when we consider improved railway traffic.

Bank President Deals Extensively With Mines

Frequently mining men and those interested in the promotion of mining companies are heard to remark that mining would make much greater progress if the banks would only take a greater interest in the industry and lend their support. In the light of this it is interesting to read the remarks of Sir John Aird, president of the Canadian Bank of Commerce, at the annual meeting, when he came to the subject of Canada's mineral resources. Not only did Sir John devote considerable time to a free discussion of this subject, but he even went further, taking the opportunity to controvert views held in Great Britain that Canada's gold deposits necessarily decrease in value with depth. Sir John stated that he had it on good authority that gold deposits hold to great depths. He added, however, that it is not to be expected that the development of these great mineral areas will be rapid. Their resources are likely to be revealed but slowly owing to the geological difficulties, the cost of intensive search for the deposits of ore, and climatic and transportation problems. It is also interesting to note that in his discussion Sir John gave considerable time to an interesting discussion of the pre-Cambrian area which provides the great portion of Canada's mineral wealth, and Sir John said had marvelous possibilities.

Pres. W. G. Gooderham, Bank of Toronto, sees increasing interest in mineral production. He said that one cannot hazard a guess as to what developments in these districts are before us, but without doubt there is a vast expenditure in wages annually and a constant increase in employment. The mines add greatly to the country's wealth and provide a valuable market for the manufactures of our industrial centres.

Will Try to Restore Confidence in Exchange

P. G. Kiely is new president of Standard Exchange. He is considered the leader of the insurgents who have been more or less dissatisfied with the conduct of affairs of late. Mr. Kiely is one of the group that has been somewhat disturbed over what they term the development of an unfriendly feeling towards the exchange amongst mining investors. In getting control of the exchange they propose to take steps that will restore that confidence. There has been a good deal of complaint in regard the methods of trading on the floor of the exchange. The new officers are pledged to see that the rules are strictly enforced. They say that this will remedy conditions and soon restore the needed public confidence.

Lead Has Leadership in B.C. Mineral Production

It is interesting to note that in the metal production of British Columbia for 1924, that lead for the first time takes the leading place. The world's supply of this metal is large and the demand is increasing. This has focused attention on the Slocan and Kimberley country where great deposits of silver, lead and zinc are now being mined. There are indications that the present year will see a great deal more lead, zinc and silver ore mined, also. The people out in British Columbia see but one fly in the ointment, that is that practically all the province's minerals go out of the province in the raw state. The price of lead has moved up steadily.

Noranda Adds 600 Acres Timmins Group to Horne

Noranda Mines have incorporated the adjoining Timmins' claims, according to J. Y. Murdock, Noranda president. Noah Timmins was already interested in Noranda and his holdings adjoining the Horne totalled 600 acres.

Mr. Murdoch stated that orders had been placed for a second new mining plant, duplicating the plant now in operation at the Horne.

The new plant, consisting of two 50 h.p. boilers, 400 cubic ft. compressor, and 8 x 10 hoist, will be transported to the mine this winter over the snow, and will be at once set up at the No. 2 shaft where sinking was recently abandoned at 79 feet, owing to the inability of the present No. 1 shaft plant to supply air to this distant point. It is planned to connect the two shafts—800 feet apart—at the 110-ft. level. At No. 1 shaft development is proceeding rapidly.

NORANDA

W. H. Chadbourne, Noranda Mines, in discussing the new find on the Horne, says it was made 350 feet east of No. 1 shaft. It was indicated by the results of a recently completed diamond drill hole. Some 109 feet of core, equivalent to a horizontal width of 89.4 feet, gave assay results of $2.50 in gold and 2.3 per cent. in copper, which makes a total valuation of $8.40 with copper on a 13c basis. Included in this section 59 feet of core, equal to a horizontal width of 48.4 feet, ran $3.31 in gold and 3.26 per cent. copper, which is equivalent to $11.78 ore. This ore is disseminated, and can be cheaply concentrated before smelting.

Notes on Mine Progress

Nipissing

Besides involving a cash payment of $5,000, it is understood that the Nipissing Silver Mine option on the group of five claims in the Bass Lake district is such that operations will have to be continued for a nine months' period. It is understood that other interests as well are looking over this field.

Vipond

Production at Vipond Consolidated Mines, in December totalled $45,200 from 5,185 tons miller, or about $8.65 per ton. Progress has been good but there have been no developments of outstanding importance, says Dr. Bell. Accumulation of Vipond shares goes on, the price firming to $1.40.

Consolidated West Dome

Consolidated West Dome shares have been holding quite firm around 19, having slipped back a little from the recent high. The present price is better than the average of the last few months, however. Brokers have it that there has been an entirely new vein opened below the 1,000-ft. level. Nothing official has been given out in regard to such a find.

Northland

Northland Mines, Kirkland Lake, spent $56,000 on exploration last year. The treasury now consists of $1,738 and 791,825 shares. The manager expresses an intention to carry on underground work, the financing to be done through the sale of treasury shares. Diamond drills indicated strong veins, but with the gold content somewhat below commercial grade. Work already done totals 9,000 lineal feet of trenching, 75 feet of test-pits or shafts, and 7,088 feet of diamond drilling.

Night Hawk

There has been some buying of Night Hawk Peninsular shares of late, though there has been a two-point drop in price to 28. It is stated that Night Hawk's 1924 production will total about $260,000. In the first six months the mill averaged under 100 tons per day, and on the last half of the year about 125 tons. In May there was a big improvement in the mill heads and the last five months the average content is believed to have been $8.50 per ton with costs on the down grade. A good profit marked the last half of the year.

Wright-Hargreaves

Wright-Hargreaves shares are holding quite firm around $4.40. The expectation is that the enlarged mill will soon get under way. The mine is in excellent condition. The broken ore reserves are said to be over 100,000 tons, while development of the high-grade No. 1 vein on the 1,000-ft. level has served to bring the average content up strong. It is reported that developments on this ore body have now been extended laterally 1,000 ft. and all in high grade. As the vein had been opened for 650 feet the last week in November, this means that 350 feet have been accomplished since that time.

Beaver-Kirkland Gold

The rise in Beaver and Kirkland Lake Gold shares during the week has been the feature of the market. The buying of these shares is in anticipation of the developments now being prosecuted on the property of the latter, terminating satisfactorily. As Beaver is a large shareholder it is bound to benefit from the results. The company is carrying out a heavy development plan on a geological theory. Teck-Hughes cut important veins at 1,600-ft. Kirkland Lake Gold cut an important high-grade vein below the 1,000-ft. level. The expectation is that on sinking to 1,600-ft. and then cross-cutting south, Kirkland Lake Gold will cut this rich vein. At the first of the year Kirkland Lake Gold shares were selling at 35 and Beaver at 26.

Hollinger Power

Montreal reports are to the effect that Alexander Smith, president of the Abitibi Power and Paper Co., Ltd., and Noah Timmins, president of the Hollinger Consolidated Mines, had had a conference in New York in regard to the proposed sale of Hollinger's power plant to the Abitibi company, and that the payments, should the deal go through, will be by a bond issue or spread over a period yet to be specified. Mr. Timmins admitted that he and Mr. Smith had been "negotiating." A satisfactory outcome of these negotiations would settle the legal disputes between Hollinger and Northern Canada Power, and arrangements would entitle Abitibi to any surplus power from the Hollinger plant, or in case of a curtailment in its supply the sale of power by Northern Canada to Abitibi.

Argonaut

Argonaut shares have been strengthening lately. Expectations are that sometime in February the mill will again be running. The close down was to await construction of new power lines so that the company would have a large supply of power available at all times. The power will be ready by the end of the month but the new electrical equipment may not be in place. In the meantime it is reported that developments have reached a depth of 750 feet, at which point lateral work has commenced with a view toward developing the downward continuation of important ore shoots from the 625-ft. level. Recent tests have shown that the copper content of the ore can be handled very satisfactorily. The management has two successful methods from which to choose. The mill is being designed accordingly, and with every indication that the second quarter of this year will find Argonaut numbered among the important gold products of this district.

SILVER AND OTHER METALS

January—	12	13	14	15
Silver—				
London	32 5/16	32 9/16	32⅝	32¼
New York	68⅜	69⅝	68⅝	68¼
Copper	—	15½	15⅝	15⅝
Lead	—	10.50	10.50	10.50
Zinc	—	7.90	7.90	7.90

Silver Prices Strengthen After Slight Setback

Both New York and London silver prices have strengthened again after a few weeks' reactionary movement. The outlook is bright for the silver producers. The far east has been buying steadily. It is believed that recently the price got too high for some of the European purchasers who withdrew from the market, thus lessening the demand and causing the sag in price. Germany and Russia both want considerably more silver, however, and the outlook is that they will have to go into the open market to get it. Thus the best opinion is that silver is not likely to get any cheaper and if there is any move at all, it will be upwards.

FRIENDLY COMPETITION WILL HELP

Hon. Chas. McCrea, Ontario Minister of Mines, is quoted as stating in Montreal this week, that he hoped that the development of Quebec mineral resources would come about quickly. Finds in Quebec have increased the general interest in mining. Friendly rivalry and competition between the two provinces would greatly further the development of the mining territory on both sides of the line. Incidentally he predicted that coal and oil might be discovered in the James Bay district.

TALK ROUYN MERGER

It is stated that Ottawa-Rouyn, Rouyn Gold and Rouyn-Quebec will merge. This would make an important holding. Some of the property lies in close proximity to the holdings of Noranda Mines, while large blocks of the group lie along the porphyry-sedimentary belt on which Huronian Belt is developing commercial ore.

Visible gold has been discovered at a number of places at outcrop and the consolidation would provide wide scope for work on a big scale. A feature is that, while the rich deposits on the McIntyre-Porcupine group in Rouyn are running east and west, it is found that Ottawa-Rouyn adjoins McIntyre holdings on the east, and with Rouyn-Quebec on the west.

Railway for Gold Fields of Quebec is Unsettled

There is every indication now that the C. N. R. will be the first railway to build into the gold fields of North-western Quebec. While there has been considerable talk of a race between the C. P. R. and the Temiskaming and Northern Ontario lines, the C. N. R. has been making plans for surveying lines down from the Transcontinental. C. Y. Young, of the National lines, has been giving the matter considerable study and it is believed that not only will such a line serve the mining country, but will cut into some fairly excellent timber lands as well. W. G. Robb, vice-president of the railway, recently discussed the matter with Premier Taschereau of the province of Quebec. On the other hand Premier Ferguson of Ontario was quoted this week as stating, following the conference with Chairman George Lee, of the T. & N. O. Commission, that the government was determined that the T. & N. O. railway would be the first line to touch the new Rouyn goldfields when construction should be justified. The cost of such a line would be approximately $2,000,000.

RE-OPEN BOSTON-MONTANA

Boston-Montana Mining Corporation, which took over the re-organized Boston-Montana, is about to resume operations. The company gained considerable notoriety last year, when quite a number of the leaders in the proposition were hailed into court in connection with charges of fraudulent practices. Quite a number of shares are held in Canada.

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Current Events in Banking World

ALERT BANKER LANDS CHEQUE ARTIST IN TOILS

Suspicion Aroused When Cheque Presented at Hamilton

An enterprising penman who has been going up and down the country exchanging evidences of his handiwork for good cash will for the next three years make his residence at Kingston as the result of the alertness of a young Hamilton banker. The pen artist is—or was—William Davis, or John Davis, or William Barlow, or Jack something-else as his professional activities demanded and sentence was passed by Magistrate Jelfs after it had been shown that he had passed worthless cheques in at least half a dozen instances. He was first heard of by the Hamilton police in September, 1924, and since that time evidences of his handiwork have been found in Toronto and St Catharines as well as Hamilton. More ancient history indicates that he has been known to the police since 1919, and was sent up for fraud in 1921 and again in 1924. It is, therefore, evident that he was accomplished in his line and that it required clever work to trip him up. The credit goes to C. H. Paton, accountant at the Barton-Victoria branch of the Bank of Montreal. This is how it came about:

Mr. Paton was on the cash at the time Barlow, etc., etc., came in. He asked the banker to transfer an account from the Dovercourt-Uxbridge branch of the Dominion Bank, showing a pass book with a balance of $95, and that a cheque be cashed on the King and Wentworth branch of the Dominion Bank for $25. He explained that he would not have time to get there before 3 o'clock—it was then 2.45. As soon as Mr. Paton saw the name he connected it with a circular which had been received from the local clearing house some weeks before. He handed the circular and cheque to the manager and detained his visitor in conversation until the police arrived. There were funds for the cheque but the drawer's name was forged. The pass book on Toronto had been obtained by fraud and fake entries made in it.

There is so much of this kind of thing going on up and down the country that actual experiences of bankers with these cheque artists are no doubt of both interest and value throughout the banking community—even though they may not always result so satisfactorily as in this case at Hamilton.

A couple of weeks ago I suggested in an article in this column that it was a time for bank managers and other staff members to be very much on their guard. Mr. Paton's experience illustrates what can be done when information has been spread around which enables the banker to check up on doubtful visitors. If others would send in particulars of similar experiences, or of contacts with this gentry which may not have been so satisfactory from the standpoint of the banker it would undoubtedly help along the good work of curbing the get-rich-quick activities.—J. W. T.

Staff Gossip

Douglas Laing, of the Bank of Toronto staff, has been transferred to the Cobalt branch.—The Standard, Havelock.

* * *

Randall McCarthy has been appointed assistant manager of the Bank of Commerce at Halifax.—Examiner, Barrie.

* * *

Ed. Faust, who has been on the staff of the Union Bank at Smithville, has been transferred to the Kingsville branch.—Telescope, Walkerton.

* * *

John Rutherford, of the local Sterling Bank staff, has been transferred to the Unionville branch. — Gazette, Fenelon Falls.

* * *

W. A. Sawtell, manager of the Sterling Bank for several years, has received promotion and will go to the head office in Toronto. He is succeeded by J. C. Reeve.—The Chronicle, Arnprior.

* * *

Geo. F. Manning, who for the past year and a half, has been ledger keeper at the Standard Bank here, has received a move to Port Dalhousie. W. Miles, of Barrie, succeeds Mr. Manning here. — The Review, Harriston.

* * *

About seventy-five men of the town and district of Glenboro, Man., gathered at a smoker banquet in honor of W. G. McNamee, manager of the Union Bank of Canada there for the past seven and a half years, who has been transferred to the branch at Newdale, Man.—Manitoba Free Press, Winnipeg.

SILVER DOLLARS

The silver dollar of the new mintage which Secretary Mellon is trying to force into circulation is a much more attractive coin than the old one, but for Eastern use at least it will labor under the same old handicaps. It is just as bulky and just as heavy, and no end of more artistic embossing and burnishing can avail against these drawbacks. —American Banker.

Weekly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	Jan. 10, 1924	Jan. 8, 1925
Halifax	$3,366,061	$4,524,366
Moncton	806,441	888,035
St. John	2,754,499	3,020,706
Sherbrooke	819,953	923,034
Quebec	5,516,247	10,415,033
Montreal	109,826,752	172,396,058
Ottawa	6,364,045	9,163,477
Kingston	743,677	951,041
Toronto	106,193,245	125,942,634
Hamilton	5,280,427	5,913,104
Brantford	1,143,123	1,149,394
London	3,652,729	3,594,257
Kitchener	1,218,725	1,201,217
Peterboro'	841,401	1,083,749
Windsor	3,192,448	2,894,346
Total, East	$251,719,773	$344,060,451

Western Cities

	Jan. 10, 1924	Jan. 8, 1925
Ft. William	$ 953,336	$ 940,350
Winnipeg	46,132,485	62,941,203
Brandon	625,657	780,525
Regina	3,838,844	6,201,604
Saskatoon	2,095,412	2,236,484
Moose Jaw	1,229,031	1,571,212
Prince Albert	373,617	434,253
Lethbridge	527,907	589,836
Calgary	8,500,080	9,510,247
Edmonton	5,874,818	4,179,435
Medicine Hat	442,138	339,926
New Westminster	575,642	748,003
Vancouver	15,457,575	18,681,867
Victoria	1,921,348	2,691,220
Total, West	$88,547,890	$111,796,165

Banks Should be on Guard During Period of Eclipse

A warning to banks and householders to be on their guard against robbers during the period of the solar eclipse on Jan. 24, has been issued to-day by Prof. Ernest W. Brown of the Yale Astronomical Observatory. He says:

"The darkness caused by the total eclipse is quite different from that of a partial eclipse which many have seen. It comes on very rapidly and for two minutes or so is as complete as a moonlight night. If the sky is covered with clouds or if there is a snowstorm at the time, it will be still darker.

"Bank messengers and those carrying payrolls would be warned that they should either delay to start out until the eclipse is over or secure proper protection."

Average Balance $131 Needed to Pay Cost of 100 Cheques in Year

Some of the Things Revealed When Cost Accounting is Applied to Banking—What is to be Done to Offset Higher Costs of Doing Business?

No problem is receiving more attention to-day in the banking world than that of cutting costs, and this is involving general analysis of the business being handled to determine what is and what is not profitable. It is a question of live interest to branch managers, to head office officials, to shareholders, to customers and also to the public, for it is generally accepted that the necessity for reducing overhead costs and eliminating unprofitable business represents the economic force which has been the chief factor in bringing about bank mergers. In this article several important phases of the situation are dealt with by A. B. Barker, manager of the Toronto Clearing House, who as a banker of long experience and recently as curator of the Home Bank, has had many opportunities to study this question.—J.W.T.

Perhaps no other class of business in Canada is so regulated by legislation as are the banks. The rates at which they may lend money, as well as the commissions they may charge for the collection of out-of-town items, are strictly limited by the Bank Act, although for the same services other agencies can and do impose much stiffer charges. A bank is a private corporation organized to perform a public service for gain. As with all other business organizations the chief object is profit for the shareholders, otherwise there would be no incentive, and men would choose other means of investing their funds. This is recognized in every line of business but banking, and for this banks have largely themselves to blame. They have advertised long and fervently that they are organized for service and it is not surprising, therefore, if the people have taken them literally. Competition has done the rest, and now the rates established for banking service are frequently below the actual cost of that service, in everything outside of the lending of money.

The bank's operations in the final analysis consist in buying and selling of credit. It buys at wholesale and sells at retail, and the operation must yield adequate profit to the bank if it is to continue in business. When the margin between the buying and selling prices becomes too narrow, the bank must do as no other business men do—raise its rates, buy at lower prices, or cut its expenses. A bank, however, cannot easily mark up the price of the credit it sells, even if the act permitted, as in the case of loans it has competition, not only from local but from outside lenders. A reduction in the rate of interest paid on deposits would simply result in a big falling off in the bank's loanable funds, so that the only remaining resource is to cut down expenses.

These expenses may be divided into three distinct classes—buying, operating, and selling expenses. The second named will depend largely on the size and extent of the organization, the number of branches, and must be met in each case whether the branch is yielding a profit or not. In the case of the first, the general impression is that the interest paid on deposits is the amount these funds cost the bank. To this first cost, however, must be added the expense of operating the machinery necessary to handle the funds so obtained. Just as in the case of the merchant there are various expenses to be paid before the goods can be put on the shelves ready for sale — freight, duty, rent, etc.—and these must be added to the initial cost of the goods.

Accounts Which Do Not Pay

The operation of selling goods also involves expense, which reduces the price received from the buyer. The bank also has expenses in connection with the selling of its credit, which are apportionable to that and nothing else, and as in other forms of merchandising the selling end of the bank's dealings is the most expensive to operate, the most experienced and highest salaried officials as well as the most elaborate records are required. It is dangerous to attempt to cut the selling expenses in any line of business because of the possible loss of efficiency, and there are also certain charges directly connected with the actual buying which cannot be reduced. There are other expenses, however, in connection with the buying of the credit, which, through excessive competition, have become burdensome. The purchase of credit from the public is through the taking of deposits, savings and current, and owing to the over-extension of the branch system throughout the country, managers, in order to increase their volume of deposits, or to hold what they have, of necessity, modified the regulations governing the operation of these accounts, until, in many cases, the cost of handling the account exceeds the yield they can obtain from the funds so provided.

Reducing Losing Accounts

One American writes, speaking of his own section, that investigation showed about 60 per cent. of the checking accounts were being carried at a loss. They did not act hastily but showed the results of their calculations to the customers, and notified those with active accounts and small balances that, in future, a service charge would be made for all accounts where the average balance carried was not sufficient to cover the cost of operation. According to his experience, the only ones to withdraw their balances and close their accounts on account of this charge were those whose accounts were of no value. His analysis was based on the per item cost of operation, and showed that the average cost of a checking account to the bank was 4½ cents per cheque. On this basis an account against which a customer issued ten cheques a month cost the bank $5.20 per annum, and unless the customer maintained an average balance sufficient to yield a fund, from which the bank could make loans yielding that revenue, after expenses of lending were provided for, the bank would lose money in carrying the account in its books.

Cost Accounting Systems

Cost accounting for banks has not been developed in Canada to the same extent as in the United States. There the vast majority of banks are single office institutions, and the problem of calculating the per item cost of operation is comparatively simple in comparison to that of averaging costs in Canada, where each bank consists of one main office and many branches, with, of course, a great variety of conditions, which must be allowed for. Not all of the banks in Canada have approached the question from the same angle, although in some cases investigation has been going on for some time, with a view to establishing an accurate basis of cost per item as the most reasonable method of presenting the facts to the public as well as to their customers.

From the best information obtainable the actual average cost to the Canadian bank of each cheque, which is issued against a current account in its books is 5 cents, and it is estimated that, in order to keep the bank from loss in the handling of a deposit and chequing account, the customer must keep an average credit balance of $1.31 during the year for each cheque he issues. A customer, therefore, who issues, say, 100 cheques during a year, or 8 cheques a month, should maintain an average credit balance of $131.

This has reference to deposit accounts and the value of the balance as such, and the profit derived from commissions on out-of-town items, or that from discount on loans does not enter into the calculation. These are functions of the bank quite apart from the honoring of cheques and the taking of deposits, and the charges thereon are for the service rendered in negotiating these items, or in making the loans.

Turnover Not Profit

Many seem to think that the banks actually make a profit in the process of passing the funds through the office. One bank not long ago, after an analysis of a customer's account, found that when the amount of the unrealized cheques each day was allowed for, the customer's credit balance was frequently in reality an overdraft, and notified him to this effect. He was most indignant, and when the detailed analysis was placed before him, said: "But, look at the turnover you are getting."

Exchange

Sterling has tended to monopolize the trading in the leading foreign exchange markets during the week. The rise has continued in more moderate degree. Cheques were quoted locally in the New York market as high as $4.80 on the 14th, but the official rate was given as $4.77¾.

United States funds have become somewhat firmer during the week, touching 7/16 on the 14th.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Jan. 8	5—16	9—32	2 3-4	2 9-16
Jan. 9	11—32	5—16	2 5-8	2 9-16
Jan. 10	11—32	11—32	2 21-32	2 5-8
Jan. 12	11—32	5—16	2 23-32	2 21-32
Jan. 13	11—32	5—16	2 29-32	2 3-4
Jan. 14	7-16	11—32	3	2 29-32

Sterling Francs and Lire

	Sterling D'mand	Francs Demand	Lire Demand
Jan. 8	4.77⅞	5.37	4.22
Jan. 9	4.78 7/16	5.36½	4.17¾
Jan. 10	4.78⅝	5.35¼	4.19¼
Jan. 12	4.78½	5.36¼	4.19¼
Jan. 13	4.76	5.34	4.16¼
Jan. 14	4.77 7/16	5.34¼	4.12¾

Commerce Promotions

Canadian Bank of Commerce has named three new assistant general managers, R. A. Rumsey, C. W. Rowley and F. M. Gibson. These changes followed the retirement of Mr. Jones and death of Mr. Cameron. Other changes made at the same time included promotion of M. D. Hamilton, who becomes superintendent of Pacific Coast branches in place of H. H. Morris, who retires on pension; J. A. C. Kemp, formerly chief inspector, who becomes manager of the Toronto branch; G. G. Laird, formerly manager at Hamilton, who becomes chief inspector, and A. E. Taylor, former assistant general supervisor, who was made manager at Hamilton.

R. A. Rumsey has been supervisor at head office and has been with the bank since 1894; joining it at Seaforth. He served at New Orleans agency, New York, Dawson City (1899), White Horse and Skagway. His first appointment as manager came in 1903, when he took charge of the Innisfail branch. The following year he became manager at Moose Jaw, and in 1905 assistant manager at Winnipeg. He came to head office, Toronto, as inspector in 1911, and was made chief inspector in 1912, and general supervisor in 1919.

C. W. Rowley, who has been superintendent of Manitoba and Saskatchewan, with headquarters at Winnipeg, joined the bank at St. Catharines, served at Berlin, Winnipeg, Vancouver and took his first managerial position at Calgary, 1902, and Winnipeg, 1910. In 1920 the separate superintendency for the two prairie provinces was created.

F. M. Gibson rose from the position of junior which he assumed in 1901 and later went to Waterloo and Berlin and in 1906 assumed a managerial post at Fort Frances. He became manager at Revelstoke, 1910, inspector at Winnipeg, 1914, assistant manager at Montreal, 1916, manager at Kingston, Ont., 1919, and at Havana, 1920.

J. A. C. Kemp was assistant manager at Montreal for three years, Quebec, three years as assistant inspector for the Eastern Townships division, and served three years in the office at London, England. He was also second agent in New York for three years, and for the past six years has served as chief inspector.

A. E. Taylor, who assumes management at Hamilton, an important post, as it was once the head office of the absorbed Bank of Hamilton, was assistant supervisor at head office for four years.

THE POSITION OF THE HOLDER IN DUE COURSE

Good Faith Alone is Not Enough Under the Law

By A. B. BARKER,
Manager, Toronto Clearing House.

In the Bills of Exchange Act, the term "in due course," used in connection with notes and bills of exchange, as "holder in due course," and "payment in due course," is not so clearly understood as its importance warrants. Questions are constantly asked as to what constitutes a holder in due course, what are his rights and powers, and also what are the essentials of payment in due course.

According to the act, a holder in due course is a holder who has taken a bill, complete and regular on the face of it, under the following conditions, namely, (a) that he became the holder of it before it was overdue, and without notice that it had been previously dishonored, if such was the case; (b) that he took the bill in good faith and for value, and at the time the bill was negotiated to him he had no notice of any defect in the title of the person who negotiated it.

In particular this title of a person who negotiates a bill is defective within the meaning of the act, when he obtains the bill or the acceptance thereof, by fraud, duress, or force and fear, or other unlawful means, or for an illegal consideration, or when he negotiates it in breach of faith, or under such circumstances as amount to fraud. The points here are: That the bill must be complete and regular on the face of it, that the holedr has taken it in good faith, that he has given value for it, and that he had no knowledge of any defect in this title—and these are essential to constitute a holder in due course.

These will establish title to the bill and make it effective against the maker and all who have become parties to the bill prior to the holder in due course. This will not affect the standing of these parties as between themselves but the rights of the man who receives the bill in good faith and gave value are protected.

Each party whose signature appears on a bill is prima facie deemed to have become a party thereto for value, i.e., it is presumed that the various transactions which resulted in these parties signing or endorsing the bill were regular.

Every holder of a bill is also prima facie deemed to be a holder in due course, but if in an action on the bill it is proved that there was any fraud or irregularity amounting to fraud in the issue or negotiation of the bill, the burden of proof that he is the holder in due course will be on him, unless, and until, he proves that subsequent to the alleged fraud or illegality, value has in good faith been given for the bill by some other holder in due course.

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The rights and powers of the holders of a bill according to the act are as follows: (a) "He may sue on the bill in his own name; (b) when he is a holder in due course (as previously described) he holds the bill free from any defect of title or prior parties, as well as from mere personal defences available to prior parties among themselves, and may enforce payment against all parties liable on the bill; (c) when his title is defective if he negotiates the bill to a holder in due course, that holder obtains a good and complete title to the bill, and, (d) when his title is defective if he obtains payment of the bill, the person who pays him in due course gets a valid discharge for the bill.

This definition marks the essential difference between the negotiability of a bill as distinguished from assignability. When a holder assigns a bill to another, he can assign only such right and title to the bill as he himself has, and the rights of such a holder are not those of a holder in due course, whose title, as already stated, depends on his having given value for the bill in good faith, before it is overdue, and without notice of any defect of title of a paid holder.

Payment in due course according to the Act means payment made at or after the maturity of the bill to the holder thereof in good faith, and without notice that his title to the bill is defective.

Bank and Customer

In the relations between a bank and its customer this is decidedly important. If a customer discounts a bill with the bank, and the maker of the bill pays not the bank but the payee of the bill, this does not constitute payment in due course, and if the payee does not for any reason retire the bill, the maker is still liable to the bank, and, unless the amount can be recovered from the payee, the maker may have to pay it to the lawful holder, which in this case would be the bank. Such a thing might happen in the event of a dealer becoming insolvent and not applying the remittances made to him by his customers to retire their notes to him which he had discontinued with his bank in the usual course.

In such a case the makers would be liable to the rightful holder, the bank, for the amount of the bill held by it, and would rank as a creditor on the estate of the insolvent for the amount paid by him to the insolvent.

To sum up, good faith alone will not constitute a holder in due course nor operate to discharge the payer of the bill. To establish their claims both must be able to show that the transaction so far as they are concerned was carried out in the usual course of business, and not under circumstances which they might even colorably have been expected to inquire into.

Five Branches Were Opened, Thirteen Closed in Month

The Canadian chartered banks during December opened only five new branches and closed thirteen. Following is a list of the branches opened and closed during the month:

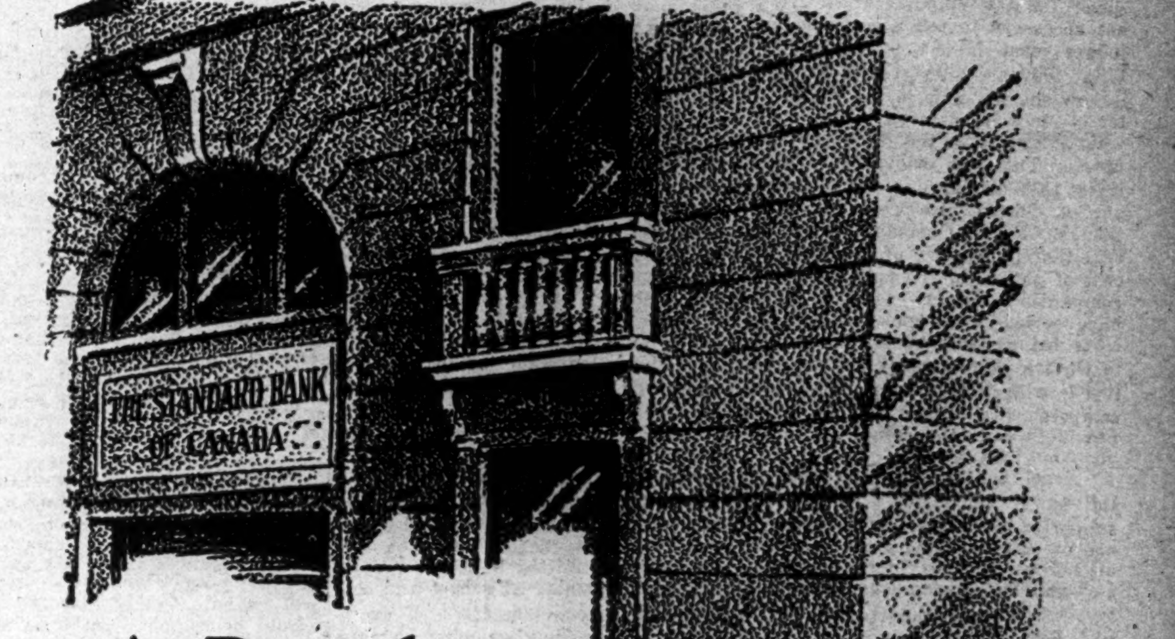
Opened

Montreal—St. Joseph d'Alma, Que.
Nova Scotia—Timmins, Ont.
Royal—Montreal, Sherbrooke & Decarie.
Toronto—Trenton, Ont.; St. Mary's, Ont.

Closed

Commerce — Dundas; Grimsby, (Bank of Hamilton branches); Fiske, Leslie, Mawer, Sask.; Ochre River, Man.; Parkland, Alta.
Montreal—Quebec, Boulevard Langelier; Goodeve, Sask.; Springside, Sask.
Nova Scotia—Casselman, Ont.
Royal—Marystown, Nfld; Ardath, Sask.

George H. Gowan, for the past seventeen years manager of the Edmonton branch of the Credit-Foncier, has been appointed to the position of supervisor of Western agencies for the company. This position was recently created owing to the increased growth of the financial operations of the company in the West.



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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, JANUARY 16, 1925

MANUFACTURERS SUFFER FROM LACK OF C.M.A. LEADERSHIP

ON TWO occasions before the Ontario Statute Revision Committee, adjourned at 10.30 on Saturday morning last, to go into closed session, the chairman, Mr. Justice Middleton, asked if there were delegations to be heard on matters pertaining to the assessment act which is under consideration. The Saturday sittings have been extending until noon. The revising judges were evidently prepared to give another two hours to hearing deputations. There was a splendid opportunity to present supporting testimony for the brief which the Canadian Manufacturers' Association has filed, asking that the levy on industrial dividends imposed in 1920, contrary to the assurances given to manufacturers when the act was framed in 1904, be repealed. But there was no one to speak.

This is just another instance of how the C. M. A. management is falling down in representing the interests of its members, the manufacturers of Canada. As the result of the deliberations of the legal department, a strong case has been made technically for relief for industry from unfair taxation. But it was presented by a lawyer and no one else spoke for it despite the fact that Judge Middleton asked if there were others to speak for the manufacturers. It is not necessary to tell a committee of judges what is law in the matter. What they are interested in knowing is how the law affects the public interest—how it bears on industry and what it means to the welfare of the people. This was evident by the interest they displayed in the statement of Col. Gibson, vice-president of the Spanish River Company, when he said that if, because of taxation, the cost of power for the pulp and paper companies was increased it would have serious consequences—that the costs being borne by the companies in Ontario were already so high that it was with difficulty that they could compete with products from other provinces and other countries in the big American market.

Colonel Gibson was speaking for the power companies. They wisely supported their case by bringing in one of their customers who had only an indirect interest in their problem and who was able to speak for industry in general. Col. Gibson would have been able to make a very strong case for the brief of the C. M. A. by showing that the levy on dividends is discouraging capital and that capital is vitally important to the success of industries in developing the natural resources of the province and providing employment for the people. Witnesses like Colonel Gibson, able to speak authoritatively for the industrial interests, and with a real knowledge of the problems of the manufacturers, could show that taxation which discourages initiative in enterprises and places an undue burden on capital, raising productive costs so that the finished products cannot be successfully marketed, is hampering the development of those great natural resources upon which the prosperity of the whole people depends. It was such witnesses who, in 1901, before the Maclennan commission won recognition for industry and established the sound principles of taxation which prevailed until 1920, when, because of the unpopularity of the manufacturers and because of lack of proper representation before the government the unsound levy on industrial profits was inaugurated. At that time A. E. Kemp (now Sir Edward) led the fight for industry, backed by other Ontario manufacturers, representing, as he had said, "those who do not seek to hide their capital but whose endeavor it is to invest money in mercantile and industrial pursuits."

The case for fair taxation of industry in the interests of the whole community is now before the Ontario Statute Revision Commission. Opportunities are being provided to present the case for the manufacturers and they are being ignored. No stronger argument for the great need for leadership in the C. M. A. could be presented.

MR. KING ATTACKS BUSINESS FOR FOLLOWING HIS EXAMPLE

The Prime Minister, in his great speech to the Liberals on Monday night, criticized Business for putting its money into non-taxable government bonds.

Mr. King and his government more than any other factor in Canada can quickly draw these millions into the productive interests of the country, taking up the slack in employment and plant and making the country prosperous.

Business is merely conserving its capital until it has some assurance of safety as Mr. King has been doing in the last three years to ensure the safety of office and his majority of one.

FREE SPEECH—BAH!

"But what could you expect of Toronto—where a well-known financial weekly weeps at the thought of University students hearing any but nice, proper, conservative speakers?"

The above is from "Varsity," the undergraduate newspaper of the University of Toronto, in an article complaining of their authorities—who have at last awakened to the fact that college halls are being used to teach foreign propaganda in the guise of Christianity, peace and friendship for Labor.

The "Varsity" misrepresents THE FINANCIAL POST. At no time have we objected to any sound, honest speaker who could talk with the knowledge of experience on any subject under the sun. What we have objected to was that young men and women should be subjected to false teachings, with what one professor has called "sob scenery." The latest was a mesmerist named Sherwood Eddy. He taught that students who worked for profit were a menace to Canada, and that they should devote their time to preparing to aid strikes, to take over the industries of the country, and inspired the organization of societies to spread these teachings.

If this had been found to work successfully as a general policy, and in the public interest anywhere at any time in the world's history, then by all means let us have professors who can tell us all about it; tell us how to do it, and get the scheme under way as soon as possible. Eddy, who had become enamoured of the Russian system, was able to quote but one man in America who tried it and was alleged to be making a success. And unfortunately for Eddy, investigation showed that his friend was one of those who came into the public eye, not for this alleged success, but for spreading discontent among American and Canadian troops going overseas in 1917. This should place him.

THE POST not only has no desire to suppress sincere radicalism, but thinks the natural radicalism of students a very good symptom—the radicalism that produced Dr. Banting, or Mackenzie King. It means an inquiring, investigating turn of mind, which should be encouraged. There is not enough of it in our colleges, our pulpits, our press. We have criticized the colleges for turning out too many machine-made products—young men who are so set in their opinions, beliefs and methods, so lacking in the originality and resourcefulness—which is sound radicalism—that they are unable to adapt themselves to modern practices and they become failures. We believe that youth should be permitted to learn, and be guided in learning at school and college, the latest successes in every phase of life. But we must be sure that they are proven successes and not untried theories, and they must be taught only by experienced teachers, and students should be encouraged to think and to investigate for themselves that they may improve on these teachings if possible.

At the same time, he should be protected from false teachings and warned against plausible propagandists with ulterior objectives—mainly the stirring up of discontent. This is what Sherwood Eddy and Scott Nearing, and other foreigners are doing. Primarily, "Youth in Revolt" movement was developed by the same crowd who tried to defeat us in the war, and who are now trying to weaken us as competitors. It is a business problem. The work is carried on under the direction of the well-known Zinovieff, of Moscow, a name he assumed to hide his German birth and real intentions.

PROFESSOR McLAURIN, a graduate of McMaster but now of India, in an address last week on India and the Empire, referred to the agitators not only in India but here, who are fighting for democracy. These men, he said, believe that success in all walks of life, but particularly in industry and finance, is due entirely to following certain formulae; that anyone, no matter how inexperienced, if he would learn these formulae could make as great a success as the most successful leaders.

Talk of Separation in West is Reflection of Propaganda

Effort Has Been to Arouse Discontent by Making the People Feel That Other Parts of the Country Profit by Western Depression

WINNIPEG. — R. A. Hoey, M.P., somewhat startled his hearers at the convention of the United Farmers' of Manitoba and doubtless startled people throughout the country when he expressed doubts as to the value of Confederation and the prospect of its continuance. "If the West is unable to get what it needs from the rest of the country," he said, "let us come out and say what is being said all over the West, that there is no use keeping confederation together. Let the east and the west live their own economic lives, bound, if you like by ties of respect, but separate politically. If confederation can only be maintained on a basis of inequality and injustice, why maintain it? Then the east can have all the protection they want.. The West can have the fiscal policy it wants, and the east can have all the privileges of the rest of the world."

Mr. Hoey was speaking to a gathering of importance, and he is himself a power of some importance. He ranks high in the Progressive group in the House of Commons, and his name has actually been put forward as a possible leader. There must be questions therefore as to what extent Mr. Hoey's remarks as quoted reflect any considerable volume of western sentiment. In one respect his statements are quite correct. It is perfectly true that people all over the West are questioning the value of confederation. They probably do not make up any considerable number of the population as yet, but it is quite true that in all parts of the prairie provinces you will find people who will ask if, after all, confederation is a success and if it will endure. So far it is mostly questioning. You will find few people definitely prepared to argue that Canada will or should be split in two; or who could say just where a break should be made or just how it should be brought about.

Talk of a Split

One farmer who was met the other day was fairly definite. "Make the break at Port Arthur and Fort William," he said. "Those cities are as discontented as we are."

"What about British Columbia?" he was asked.

"They would come in with us," he claimed. "Probably they have not thought much about it yet, but their interests are the same as those of the prairies and they would want to stay with these provinces."

"What would you get?" he was asked.

"Lower tariffs, or free trade altogether, Lower freight rates, the Hudsons Bay Railroad. Give us those and the West would be so attractive that we should soon have a large population, and be able to carry our debts with ease, and develop things all round."

"How about the national debt and the National Railways?"

"The West would take a fair share of the debt according to population. It would be a shame to split the National Railways, but if necessary we would do it, and there would be no doubt that the western lines alone would pay."

There is, theory, more completely worked out than is usual. Suggest to a man holding such views that separation would mean annexation and he is indignant at once. Inclusion in the United States is the thing farthest from his thoughts. He does not want to get outside of the Canadian tariff wall, only to get inside that of the United States. He wants free trade with Great Britain as well as with the United States. Separation would cure economic discontent so rapidly, he thinks, that there would be no desire for further change.

Now it is altogether unlikely that you could elect many members to the Dominion Parliament or to the Provincial Legislature on a platform of separation. It is also likely that most of the people who talk separation will admit finally that separation would bring more problems than it would cure. Such talk reflects not any definite plan of action or theory of what should be done, but a state of mind, a sort of exasperation that the rest of Canada does not understand the problems of the West and does not seem to evince a disposition to help in solving them. That state of mind is to be found not only on the farms, but among business men in the cities, not only among European settlers or those from the United States, but among British born settlers and those who originally came west from Ontario. Because of that feeling of lack of understanding there is a tendency to blame upon the East a lot of things with which the East, or the whole Dominion of Canada, could have very little to do.

The cure for that state of mind lies in several directions. The best prescription would be a 1923 crop sold at 1924 prices. Failing that, a certain amount of education to show that other parts of Canada suffer at times under their particular difficulties, and that no other part of the country has been getting rich out of the troubles of the West. With that should go such demonstration as is possible that Western conditions and Western needs are really understood throughout Canada, and that the rest of the country is really concerned to make conditions as good as they can be made in the interests of Western development.

The foregoing is intended as a reflection of the opinion held by a considerable section in Western Canada. No doubt it is sincere, but what is depicted as a rather important factor in the situation is, we have every reason to know, merely the murmurings of foreign propagandists who have been working to stir up discontent and whose activities have been exposed by THE FINANCIAL POST, the Manitoba Free Press and other newspapers which have not been hoodwinked by the clever talk of the trouble makers. That this propaganda is a real menace is indicated by the public statement of Mr. Hoey.

As a matter of fact the West, like other parts of Canada, is suffering from an economic readjustment which was the inevitable aftermath of wartime inflation. And the depression felt in Western Canada—and other sections—is not so bad as other depressions which have been experienced at other times. But in other depressions there was no organized agitation to capitalize discontent in an endeavor to disrupt the country—and because of this agitation the return to more healthy conditions is being delayed.

Only British Immigration Will Hold Canada in the Empire

(By One of Montreal's Best Known Business Men).

The following are outlined as the facts affecting Canada's present position and future prospects. The facts are quoted without special comment, but it is felt that careful consideration of these facts cannot help but indicate the trend of future prospects:

The Dominion of Canada comprises a larger portion of the North American continent than is contained in the United States, including Alaska.

Our present population in Canada is less than 9,000,000, as compared with at least 110,000,000 in the United States—and we are, therefore, living under the immutable law of the greater attracting the lesser, being divided from the United States by only an imaginary boundary.

We Are One People

We are one people on the North American continent in language and in currency, weights and measures, school system and business methods; there is practically no difference between Canada and the United States.

The United States is Canada's best customer and Canada purchases from the United States more goods than from any other country.

At the present time, over 1,000 American industries have branch factories in Canada. American capital almost controls our pulp and paper industry, our lumbering industry, the mining industry and the automobile industry—and the latest statistics indicate at the present time that there is about $1,200,000,000 of American capital invested in Canadian industries. These statistics also indicate that the total investments of American capital in Canada amounts to about $2,500,000,000, as against a similar investment of British capital of under $2,000,000,000.

Excessive Railway Mileage

We have in Canada an excessive railway mileage in operation in proportion to our population—and, in fact, stand alone in the world in the matter of excessive railway mileage as compared with unit of population.

The present population of Canada cannot continue to carry such an overhead of national debt, with consequent heavy taxation, and the increase of our population by immigration since the war has been very disappointing. During the past year the immigration from Great Britain increased about 100 per cent., as compared with 1923, but during the same period the immigration from continental countries increased about 350 per cent.

At the present time, Canada is flooded with American newspapers, magazines and moving pictures, Canadian newspapers carry vast quantities of American news, while, at the same time, they carry only a small proportion of British news—and the British papers as a whole carry nothing of Canadian news.

At the last session of parliament the government saw fit to lower the tariff wall as between Canada and the United States, and, during the same session, in connection with the debate on the Lausanne treaty, the prime minister stated that there were two alternatives facing Canada, namely, complete independence, or complete annexation to the United States.

The last immigration act passed by the United States which came into force in July last provided a quota provision against all British and European countries, and excepted Canada for Canadian born.

Before the war, the large sums of money expended in the development of Canada were provided from Great Britain, with the addition of smaller amounts from France, Germany, and Holland, and Canada's financial centre was London. To-day, the federal government, provincial governments, municipalities, Canadian National Railways, and, for the first time in history, the Canadian Pacific Railway, have gone to New York to borrow money needed—and Canada's financial centre has, therefore, shifted from London to New York.

Maritimes Are Dissatisfied

The Maritime Provinces of Canada are to-day dissatisfied with conditions under Confederation, and, owing to the high tariff wall imposed against them by the United States, are sympathetic to closer relations with the United States.

The Western Provinces of Canada for similar reasons of high tariff wall imposed by the United States, including high duty as against grain and cattle imports, are in favor of closer trade relations with the United States. Closer trade relations between two adjacent countries of similar language, currency, weights and measures and business must, inevitably, be followed by closer political relations.

Before the war, the statement by any public man advocating consideration of annexation to the United States would raise a storm of protest. The statement of the prime minister above referred to, with reference to this question, being made from time to time in the Canadian press, and its advocacy in certain American publications, has not aroused any protest—and consideration of the facts quoted should serve to indicate the future prospects of Canada, and its continuance as a part of the British Empire—unless something can be done to obviate the position resulting from such facts and to increase the sentiment in favor of continuance within the Empire especially through the medium of the immigration of British colonists.

"Canada is Safe and Sound"

Editor, The Financial Post.

Sir:—We read and listen to many reasons for the poor condition of industry; the deplorable condition of the farmer and the consumption and waste of some of our natural resources, etc.

As the saying goes that half the lies told about the Irish are not true, certainly more than half of the reasons given for the cause of the present condition in industry, agriculture and commerce are far from being true.

What is wanted is action converted within the shortest time possible into work and then some more work.

To assist in creating action within the shortest delay, permit me to make the following suggestion. That the Provincial branches of the Manufacturers' Association, the Associated Boards of Trade, the Provincial municipal Unions, the Merchants Association, the Bar Association, etc., etc; call a united meeting or convention with the object of discussing matters of importance in regard to the development of their respective Provinces, and to see if it would be possible to form an association composed of a representative body of intelligent, common sense, experienced men. This association could be a clearing house for all the local or provincial organizations. The work of this association to be:

1st. Have a survey and a report made of our natural resources.

2nd. Make a thorough study and report on agriculture and what should be done to develop an export trade in farm products.

3rd. Make a study and report on our industries. Production compared to local or Canadian consumption. What goods are made in Canada for which there is a demand for export. What the essential industries need for their proper development.

4th. A study of the tariff and taxing system as it affects the respective Provinces.

The name for the Quebec Association to be "Develop Quebec Association," each province replacing the word "Quebec" by the name of their province; have selected this name as it suggests something, and is an incentive to action. Funds to defray the expenses of such an association to be supplied by annual grants from the Federal Government, provincial governments, municipalities and the different associations.

Each provincial association should work in harmony with the different departments of their provincial government. Each association should have a manager and a proper office staff. Executive office for each province should be located in the capital city of the province. The general publicity of each province should be looked after by the association. It may be that much of the information wanted is now to be found in the different departments and all that is needed is the proper action.

The federal government should create a "Develop Canada Commission," to be composed of a certain number of representatives from each association. The federal research bureau could work in conjunction with this commission. The study of the tariff and our taxing systems should be done by this commission as well as all other matters relative to the development of Canada and the welfare of our people. This commission to have the power to engage experts to h lp them in their work and to assist the provincial associations.

The prime minister of Canada and his cabinet have sufficient to do to attend to their official duties, social and political obligations, to permit them to give the necessary attention to such an important job as the "Industrial and agricultural development of Canada."

Governments may change every four years or if they do not change cabinet ministers are changing from time to time and no doubt it is a difficult task for any government to give this matter their proper attention.

If that patriotic action that was applied to the business of war could be organized again for the development of our country, do you not consider, Mr. Editor, it would be a paying investment?

Blanket arguments about the effect of the tariff on business is a lot of rubbish. Let the leaders in the different walks of our national life get busy and form an organization and find out what is really the cause of good times and bad times. United action is what is wanted—so as a change in government cannot have any effect on business or the sound development of our country.

We do not want a few years of boom times and then as many years of depression, but—if possible—continual normal times with steady employment. The following might help to this end:

1st. Standardization of manufactured products along national lines.

2nd. A regulation of production—as far as possible—in relation to Canadian consumption and the demand for export.

3rd. The conversion in Canada of all our resources of the farm, forest and mines into manufactured goods, as far as feasible and if in the best interests of the majority.

This work cannot be done in a day, a week, a month or perhaps a year, but it can be done and I consider the Canadian Manufacturers' Association and the Union of Canadian Municipalities should take the lead in calling these conventions, in each province as soon as possible. With such provincial associations in operation to create action, our government, to legislate and the senate as the final judge, I believe that within the next five to ten years Canada should show some wonderful development.

ROLET RYAN,
Three Rivers, Que., January 10, 1925.

Canadian Car & Foundry Company, Limited
ANNUAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of CANADIAN CAR & FOUNDRY COMPANY, LIMITED, will be held at the Head Office of the Company, 307 Craig Street West, Montreal, on Thursday, the 22nd day of January, 1925, at 12 o'clock noon, to receive and consider the Annual Statement of the business and affairs of the Company, for the election of Directors, and for the transaction of such other business as may properly come before the Meeting.

By Order,
A. C. BOURNE, Secretary.
Montreal, January 5th, 1925.

The Standard Bank of Canada
Quarterly Dividend Notice No. 137

A dividend of three per cent. (3) for the three months ending 31st January, 1925, being at the rate of twelve per cent. (12) per annum, has been declared payable on the 2nd of February, 1925, to shareholders of record as at the 16th of January, 1925.

The Annual General Meeting of the shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 25th of February next, at 12 o'clock noon.

By order of the Board.
N. L. McLEOD,
General Manager.
Toronto, December 23rd, 1924.

The Dominion Bank

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 28th January, 1925, at twelve o'clock noon.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 21st November, 1924.

Abitibi Power & Paper Company, Limited

NOTICE IS HEREBY GIVEN that a quarterly dividend of $1.00 per share has been declared on the Common Stock of the Abitibi Power & Paper Company, Limited, payable the 20th day of January, 1925, to shareholders of record at the close of business the 10th day of January, 1925.

By Order of the Board.
W. H. SMITH,
Secretary-Treasurer.

DIVIDEND NUMBER 132
HOLLINGER CONSOLIDATED GOLD MINES, LIMITED
(No Personal Liability)

A dividend of 1% on the outstanding capital stock of the Company has been declared payable on the 28th day of January, 1925, on which date cheques will be mailed to shareholders of record at the close of business on the 12th day of January, 1925.

Dated the 5th day of January, 1925.
I. McIVOR,
Assistant Treasurer.

The Canadian Converters' Co. Limited

NOTICE

Notice is hereby given that a Dividend of One and three-quarters (1¾%) Per Cent. has been declared on the Capital Stock of this Company, for the quarter ending 31st January, 1925, payable 16th February, 1925, to Shareholders of record at the close of business 31st January, 1925.

By Order of the Board.
THOS. M. BARRINGTON,
Secretary-Treasurer.
Montreal, 13th January, 1925.

THE MONTREAL CITY AND DISTRICT SAVINGS BANK

The Annual Meeting of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the ninth of February next, at twelve o'clock noon, for the reception of the Annual Reports and Statements and the Election of Directors.

By order of the Board.
A. P. LESPERANCE,
General Manager.
Montreal, January 7th, 1925.

FRANCE EXPORTING LUXURIES

The latest official figures showing France's foreign trade during the first eleven months of the present year, as received by the Bankers' Trust Company of New York, from its French Information Service, reveal a surplus of exports over imports of 1,397,950,000 francs. For the corresponding period of last year, there was an import surplus of 1,463,047,000 francs. The favorable balance this year is partly accounted for by an increased export of luxury articles.

Valuation of Securities

The new year is, of all periods, one of the most opportune times for carefully examining any investments already held.

The valuation of such securities at frequent intervals is one essential which many investors have found to be of very first importance. It may enable the investor to take advantage of a favorable market for the sale of some securities. It may reveal the fact that some securities should be sold as a protection. Early maturing securities can often be exchanged to good advantage.

Many estates, institutions and private investors make it a practice to have their holdings valued half-yearly.

We shall be glad to make valuations for any holder of securities without obligation, or to make suggestions as to the betterment of holdings by exchanges, sales or otherwise.

If you desire to have your securities valued, we shall gladly give you the benefit of thirty-five years' experience in investment matters.

Valuation forms supplied on request

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Investors' Inquiries

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

CAMAGUEY ELECTRIC

Reader, Nova Scotia. — What is your opinion of Camaguey Electric 1st mortgage bonds?

Camaguey Electric first mortgage bonds are 6½'s due in 1952. The present market is around 99 to par. The issue is well regarded and is traded in in Canada.

OTTAWA-MONTREAL POWER

D. M., Lunenburg Co.—I am interested in the Ottawa-Montreal Power first mortgage bonds, and would like your opinion of them.

Ottawa-Montreal Power first mortgage bonds have 6½ per cent. interest coupons attached and mature in 1949. Current market is around par. The issue is a first mortgage bond of a company with good prospects.

TRINIDAD ELECTRIC

Reader, Lunenburg Co. — Would greatly appreciate your candid opinion of the 1st mortgage bonds of the Trinidad Electric Co.

Trinidad Electric first mortgage bonds are 5 per cent. interest and mature in 1931. The interest has always been earned with a good margin to spare, and while the present market of around 85 is very low, this is due more to the fact that the bonds are not widely traded in than to any inherent weakness in the security itself. This price would represent a yield basis of 8.80 per cent., but there is very little trading in the issue and it is doubtful if bonds could be obtained on this basis in any quantity.

NOVA SCOTIA TRAMWAYS

W. M., Nova Scotia.—I would appreciate your opinion of Nova Scotia Tram 1st mortgage bonds?

Nova Scotia Tramways first mortgage bonds pay 5 per cent. interest and are due in 1946. The current market is around 85, which is a yield basis of 6.30 per cent. Interest is being earned with a good margin and the issue enjoys a wide market in Canada.

WAHNAPITAE POWER

Reader, Mahone Bay. — Would like your candid opinion of the first mortgage bonds of the Wahnapitae Power Company.

Wahnapitae Power first mortgage bonds have been issued recently and he company is not well known but has a good record. It supplies power to the town of Sudbury in Northern Ontario. The bonds are 6½, due 1944, and the market may be quoted as approximately at par.

NEWFOUNDLAND LIGHT & POWER

Reader, Nova Scotia.—What is your opinion of Newfoundland Light & Power, 1st mortgage bonds?

Newfoundland Light & Power first mortgage bonds pay 6½ per cent. interest and fall due in 1949. The present market is 98 to 100, making a yield around 6½ per cent. The investment house which floated this issue has maintained a good market in it for investors requiring to sell.

HOLLINGER

H. C., Ontario.—Is Hollinger, selling at the present price around fifteen, a good buy for investment?

Hollinger Gold Mine is regarded as a good investment at the present price. They are at present paying 13 per cent. a year, which amounts to 65c. a share, but the recent rise in the shares has been to discount a material increase in the dividends, which is is expected will be made at the annual meeting about March.

PORCUPINE GRANDE

W. G., Hamilton. — The writer now holds some shares of stock in the Porcupine Grande Gold Mines, with head office at Toronto. I understand that the operation of the mines has been taken over by a reliable company. I would appreciate your opinion as to the present value and future outlook of this particular proposition.

Porcupine Grande Gold Mine is a property that is regarded as having considerable merit. Coniagas, the old Cobalt silver operators, have the property under option. If they get anything near the results that the operators claim to have got in diamond drilling, the outlook will be very bright.

TECK-HUGHES

H. F., Winnipeg.—I would thank you for a little advice regarding 50 shares of stock in a gold mine at Kirkland Lake, which company is producing very good, but owing to heavy expenses for new shaft, etc., have been talking of selling treasury shares. I am not able at present to take additional stock, and in this case would this endanger my stock already held? On my certificate there is an absence of the word "non-assessable."

Teck-Hughes is the only mine your description fits, though you did not say so. These shares are "non-assessable" so that your 50 are safe. Because of the good profits the mine is making, it is doubtful if it will be necessary for the company to seek new funds by the issue of additional treasury shares.

MATACHEWAN CANADIAN MINES

Subscriber, Saskatchewan. — I own a few shares in the Matachewan Canadian Gold. Will you kindly let me know what developments they have done and what is their objective for 1925?

Matachewan Canadian Gold Mine, Ltd., property is standing idle at the present time. Porcupine Gold Field Development Co., a large English corporation, had the property under option until recently. The reason they dropped it was that too severe terms had been insisted upon by those in control of the property. We believe that ultimately this same company will take another option on the property, providing they can get better terms.

MONTREAL POWER

D. A., Nova Scotia.—What is your opinion of Montreal Power Consolidated stock? Do you regard the recent slump of 40 points as indicating anything wrong with the company or their prospects? I hold 80 shares of this stock at an average price of par and could sell at 154. Do you consider it advisable to sell in the face of the newspaper campaign instituted by a Montreal daily paper?

There are still good prospects of improvement in the present market price of Montreal Power stock. The recent slump was due to attacks in civic and newspaper circles in Montreal on the company, but these have not been sustained on any important scale and they have not affected the company's earnings or assets in any way. You might feel that it would be advisable to sell about half of your shares and take the substantial profits you have on them, reinvesting the proceeds in other good securities.

P. LYALL & SONS

Banker, St. Catharines.—One of our customers has requested us to obtain from you some information regarding the probable value of the common stock of P. Lyall & Sons, Montreal, and as to whether there is any market for it. Is the company making any progress?

P. Lyall & Sons Construction Co. common stock was traded in this week at 12½. Shares could probably be bought or sold around this price in any reasonable quantity.

Information concerning the progress of the company is rather meagre. They have some excellent contracts which should maintain their activities on a normal scale for two or three years yet. Profits have been disappointing in two or three years past, but the company's officials express themselves optimistically regarding the future. Nevertheless, there has been much criticism of the company and its management from investment sources, and this has had a tendency to reduce the degree of interest taken in the company's securities.

MATTAGAMI PULP BOND

H. A., New York.—I would like to obtain some information about the present position of the first mortgage 6 per cent. bonds of the Mattagami Pulp & Paper Co. I understand the interest on these bonds is not being paid and, in behalf of one of my customers, I want to find out what the reason is and what prospect, if any, there may be that these bonds will come back as an interest-paying investment.

Mattagami Pulp & Paper Co., operations have been in the hands of a receiver for some time. The receiver has been carrying on operations with a fair degree of success for some time, but it can hardly be said that the outlook for the proposition is in any way right. The company has been producing unbleached pulp. There is a ready but keen market for this output. In reality, it might be said that the company's valuable timber rights are being dissipated, so close is the margin of profit, as compared with the profit that would accrue to the company were new finances secured to install a bleaching plant and news print mill.

BRITISH WOOLLENS

Reader, Preston. — Last February I subscribed for 30 shares of British Woollens, with the understanding that I was to receive employment with the company when they had reached the production stage. Apparently they have not even begun to build yet. I have already paid $200 and still owe $100. Would you advise completing my payment? What is your opinion of the company? Can they be forced to return the money already paid?

British Woollens is not well regarded. We have been unable to get first-hand from the financial agents, Textile Financial Corp. just what progress they are making, but we understand that it is but little. We never liked their stock selling methods. Any proposition which has to resort to promising jobs in an effort to sell stock has little to recommend it and should at least warn those approached with such a proposition, off. In regard to completing your payments, that is a matter which you yourself will have to decide. The same would apply to the question as to whether or not they can be forced to return the money which you have already paid, you alone being in possession of the full details of the representations made at the time of purchase.

CANADA NORTHERN POWER

D. M., Nova Scotia.—What is your opinion of Canada Northern Power preferred stock at 99 with bonus of common? Is it a perfectly safe investment for a retired business man of considerable means? Do you regard the dividend of 7 per cent. as well secured?

Canada Northern Power preferred stock is a good business man's investment, especially inasmuch as the common stock bonus offers some opportunity for subscribers to the preferred shares to participate in the company's future earnings. The present rate of earnings is sufficient to give protection to the preferred stock dividends.

The future of the company is pretty much linked up with the future of Northern Ontario and there does not now seem to be any doubt that there will be a steady and dependable production from the mineral areas of Northern Ontario for at least another generation. Agriculture and industry are also developing in the north country. The question of the law-suit between the Hollinger Consolidated and the Northern Canada Power Co., has been brought up in connection with this issue, but prospects are for an amicable settlement.

A Bond Catalogue

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Current Opinion

MADE HIS LIFE WORTH WHILE

Blenheim News Tribune.—Older citizens of Blenheim, who knew him, learned with sorrow of the sudden death at Toronto on Friday of D. A. Cameron, assistant general manager of the Canadian Bank of Commerce. Thirty-odd years ago Mr. Cameron was manager of the branch in this town, and though his visits back here were few and far between, yet his career has been watched with interest and by a certain sort of pride that he once lived in Blenheim. For his was a successful life. Not only did he fill very important positions in his life service to the bank but he gave freely of his time and talent to public benefactions. He was particularly useful in his capacity as treasurer of numerous charity funds, foreign and domestic. Usually the performance of such tasks falls successively on the same shoulders, capacity and willingness in one leading to selection for others. He gave valuable service to those with whom he associated, and in this respect his life was worthy of emulation by many fellow citizens.

OUR RAILWAY MUDDLE

Ottawa Journal.—Canada is likely to have cause to regret the railway muddle which has been created by the yielding of government to political expediency in the Crow's Nest Pass case. The interests at stake are really too big to justify anything of that nature. There was a logical and easy way out, and government should not have hesitated from taking it. As it is we cannot possibly escape serious trouble. The restoration of the Crow's Nest Pass rates of 1897 carries with it a return to the nation-wide discrimination which led to the appeal a few weeks ago to the Railway Commission. That board heard arguments in behalf of all interests concerned, and promptly restored to effect the tariff which had obtained prior to 6th July last.

The blunder committed by government was in not leaving the matter there, and in listening to any representations which aimed at going over the head of the Railway Commission.

SOCIALIZING WEALTH

Regina Leader:—A man who makes a failure in life and frankly admits that he is responsible for not having done better is the exception. The average failure places the blame on someone or something else. At the present time we hear much about the necessity for destroying capitalism and socializing wealth. This talk doesn't come from those who have succeeded in getting their hands on sufficient capital to satisfy their desires; but from those who have failed to. They are not to blame. The system is wrong—and must be changed!

As a matter of fact the system is changing. About thirty years ago there was a tremendous outcry in the United States against the "trusts." Compared with that outcry, whatever criticism is now levelled at the great corporations in that country is hardly audible. Why? Simply because the great manufacturing concerns have ceased to be "family affairs" and now belongs to hundreds. Same with the insurance companies. Same with the banks and the telegraph and telephone companies. With this movement making rapid progress, a former secretary of the treasury of the United States predicts the day when every worker will also be a capitalist. With that prospect before the people of these two countries, what time have they to waste listening to the advocates of a destructive program that would land them where Soviet Russia is to-day? Wealth is being rapidly "socialized" by everyone becoming a capitalist. That is rather better than making everyone a pauper in a vain effort to reach the same end.

"How to Invest Your Money"

By BAYARD DOMINICK,
President, The Better Business Bureau of New York City.
(Copyright 1925)

When he acquires an automobile no sensible beginner at driving a car would think of taking the steering wheel and starting to drive before he had mastered the rudiments of driving and the rules of automobile traffic.

Yet, how many people risk their money by heedlessly buying shares in some alluring enterprise—perhaps on the advice of a friend—before they know the first principles of sound investment, or what constitutes cautious speculation.

As the motor car owner does not drive until he has learned how to handle his car in the road, so the man with money to invest should not invest it until he has learned how, or unless he acts on the judgment of an experienced, disinterested adviser of known integrity.

Where to Get Information

1. Banks—Banks of established reputation can generally be relied upon to give investment information. Having had experience in the securities field, most bankers are in a position to advise their clients competently about different issues. Your bank knows dependable investment bankers or brokers with whom you can do business.

2. Investment Bankers and Brokers—As in all other branches of business, there are in this field honest and competent and dishonest or incompetent dealers. The former are in the great majority and can be depended upon for information. It is well to act upon information only when furnished by reputable houses. Satisfactory information as to such houses should be easily available from the other sources named here.

3. Better Business Bureaus or Commissions, the National Vigilance Committee and Chambers of Commerce—Better business bureaus or better business commissions, which are functioning in about forty principal cities of the country, will gladly advise you as to proper channels through which you may secure reliable investment information.

These organizations, including the National Vigilance Committee at 383 Madison Avenue, New York City, do not undertake to answer inquiries regarding seasoned securities, or about companies whose history and reputation are well known. They specialize in investigation of and action against misrepresentations of securities or the flotation of fraudulent financial schemes.

Frequently, chambers of commerce in enterprising cities endeavor to protect their citizens by an investors' information service, available before a security purchase is made.

4. Investment Data Services—The investor who has considerable sums of money to invest can buy statistical information from private investment information companies. He should be sure that he subscribes to a service that is well-established and thoroughly dependable. He should take pains to avoid "tipsters" or "dope sheets," which pretend to be independent while actually pushing particular issues in which the publishers, or their backers, are interested.

5. Newspapers and Journals—Most metropolitan newspapers, through their financial editors, and other representative periodicals, gladly answer inquiries pertaining to investments. These writers serve by expressing opinions as to which of the various legitimate issues offer the best investment attractions for different purposes. Established financial journals are also a standard source of general or special investment information.

Ten Questions

As a first step in the investigation of securities which you may consider buying, get answers to at least these questions from the salesman. Then find out if they are true.

1. What are the names and principal address of your employers and how long have they been in business?
2. With what bank does your firm do business and what are its other references?
3. What were the assets (real worth) of the company, in which stock is being sold, at the date of its organization, and what are the assets now?
4. What are the company's liabilities?
5. What are its earnings?
6. How many times has interest or dividends on this security issue been earned in the past five years?
7. Who are the officers of the company and what is their record of business activity during the past five years?
8. What experience have these officers had in the business in which the company is engaged?
9. Is this security accepted as collateral for loans at banks?
10. What is the market for this security in the event I want to dispose of it?

This is the seventh and last article in a series which sets out in common sense terms some of the primary principles of investing, in a way which the average citizen will find useful in solving his own problem and in protecting himself against some of the pitfalls which snare uninformed and careless men and women.—The Editor.

Financing Canada's Industrial Development

Royal Securities Corporation is now entering the twenty-second year of its existence.

The past two decades embody the period of greatest development of Canada's basic industries, such as newsprint, lumber and steel manufacturing, and grain handling. They also have witnessed a growing independence of outside supplies of capital for facilitating industrial enterprise, and the growth of an important market for securities within the Dominion itself.

In assisting Canadians to a realization of the great commercial potentialities of the country's raw material resources, and in establishing successful industries through sound financing, this corporation has taken a leading part.

Such widely known and successful companies as Alberta Pacific Grain Company, Abitibi Power & Paper Company, Canada Cement Company, Canadian Car & Foundry Company, Price Bros. & Company and the Steel Company of Canada are among those with the primary public financing of which we were associated.

Investment in the bonds and shares of these and similar Canadian businesses has profited very largely those who participated in the issues which we underwrote and distributed.

Our varied and wide experience as an investment banking organization from 1903, coupled with our branch office, private wire and correspondent connections in Canada, the United States and Great Britain, enable us to serve both institutional and private investors in the most satisfactory manner.

We suggest that you obtain a copy of our current "Weekly Offering List" and compare prices and yields of the securities which it lists with those of other bonds and shares of similar class now available in the Canadian market.

Royal Securities Corporation
Limited

164 St. James Street, Montreal

Toronto Halifax St. John Winnipeg Vancouver

Good Opportunities for January Investors

Our January List includes about 50 "Odd Amount" Bonds at favorable prices!

Write for our new List. It should assist you.

A broad list of good bonds—a wide choice of maturities—favorable prices—all of these are available to those who now have funds or expect investment funds during January.

Our January List will be mailed upon request—and the services of our organization willingly placed at your disposal.

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The list of best investments

is constantly changing. For that reason you should submit your holdings to us for advice.
Probably we could advise a revision that would bring you a greater yield yet not sacrifice safety or saleability.
We would be glad to have you consult us.

Municipal Bankers Corporation
LIMITED
34 King Street, East, Toronto

Range of Unlisted Bonds in 1924

BONDS	Issued	Due	P.C.	Yearly Comparison Jan. 1st to Dec. 31st, 1924 Op'ng	High	Low	Close	Latest Quotation Bid	Ask'd	Bonds Sold
Abitibi Pulp	$3,880,000	1940	6%	97	98¾	94½	98¾	99¼	..	39500
Alabama T. L.	13,668,900	1962	5	69	88	68	87½	87	87¾	98500
Algoma Steel	15,550,867	1962	5	26	38¼	26	33	29	30	48500
Ames Holden	2,481,960	1947	6	44½	45	44½	45	..	43	2500
Belding Paul	749,953	1936	5	87¾	87¾	87⅛	87¾	85	..	9600
Belgo Can. Paper	8,000,000	1943	6	95½	98¼	94½	98¼	98½	98¾	146000
Brompton P. & P.	1,750,000	1941	8	109½	109½	107	108½	108	109½	15000
Brompton P. & P.	938,200	1939	6	..	97	..	..	..	..	1100
Burns Co., P.	3,500,000	1943	6½	..	100	..	..	98⅞	..	4500
Brand.-Henderson	698,000	1939	6	91½	91½	89⅞	89⅞	90	..	2000
Canada Steamship	6,000,000	1942	7	95	99¾	94	97½	97¾	98½	90000
Canada Steamship	15,000,000	1943	5	75⅞	78¾	75¼	78¾	78	79	34500
Can. Light & Power	6,500,000	1949	5	75½	82	52	60	61	62¾	124000
Chicoutimi Pulp	1,834,000	1943	6	71¾	72	62	69	..	..	39000
Can. National Rys.	50,000,000	1954	5	99½	101¾	98¼	101¼	100⅛	100⅜	328000
Can. Nor. Ry. Income	24,140,174	1930	5	52⅝	53	51	51¼	..	57½	32400
Can. Steel Foundries	3,650,000	1936	6	98⅛	99½	98⅛	99½	100	..	11500
Canadian Pac. Ry.	12,000,000	1934	5	98⅞	100	98⅝	99⅝	98⅞	99⅜	328400
Canadian Pac. Ry.	30,000,000	1944	4½	..	92¼	..	..	..	..	5000
Canada Paint	340,667	1939	5	..	86	..	..	..	..	1000
Connors Bros.	250,000	1938	6½	..	100	..	..	..	100	4000
Cumberland Ry.	3,000,000	1940	5	75	75	69⅞	69⅞	..	..	2000
Davies, Wm.	2,500,000	1942	6	..	83½	..	..	..	..	3500
Dom. Iron	7,071,266	1939	5	71¾	71¾	59	59	..	58½	50000
Dom. of Canada	50,000,000	1944	4½	97.25	97.35	96.10	96.10	95.75	96.00	184500
Dom. Power	5,564,000	1932	5	..	..	..	..	95½	96½	....
Dom. Textile	6,449,000	1949	6	102¾	104	100½	103½	104	..	36000
Duke Price Power	12,000,000	1949	6	99⅛	99⅛	99⅛	99⅛	98¼	99¼	6500
East Koot. Power	2,000,000	1942	7	98¼	102½	96	100½	100½	102	38800
Electrical Develop.	9,175,000	1933	5	98⅛	98¾	98⅛	98¾	98⅞	100	3000
Fraser Company	2,000,000	1941	8	105¼	106	104⅛	105¾	106¾	..	22000
Frontenac Brewery	1,100,000	1951	6	85	88	84	87	..	91	41500
H. Smith Paper	2,576,200	1941	7	98	99	90	90	89½	90	249300
H. Smith Paper	489,600	1934	6	95	95	92½	93½	94½	..	12100
Lake Sup. Paper	5,000,000	1941	6	105	105	104⅞	105	105	..	14500
Laurentide Power	7,500,000	1946	5	97¼	98½	95⅝	97¾	96¾	98¼	31000
Laurentian Power	1,400,000	1936	6	96½	97½	96	97½	97¼	..	3000
Maple Leaf Milling	2,000,000	1943	6½	..	101	..	..	103¼	..	13000
Montreal Light, H.	2,910,000	1933	5	96½	99	96½	98½	98½	..	17000
Manitoba Power	7,500,000	1941	7	97½	100⅛	97½	98⅛	98¾	99¼	57400
Mattagami P. & P. Deb.	3,000,000	1949	7	22	27	20¼	27	30	33½	17300
*Montreal Tram.	7,300,000	1924	6½	102	102	101⅛	102½	..	..	35200
Montreal Tram.	8,000,000	1929	6	99½	101⅛	49	100⅝	100⅛	100¾	419000
Montreal Steel	750,000	1940	6	99⅝	99¾	99⅝	99¾	100	..	6000
Montreal Water	979,935	1932	5	81	85	81	85	85¾	..	1000
Montreal Water	4,784,907	1932	4½	89¾	92½	89¼	92½	94¾	..	1000
Montreal Pub. Service	3,152,500	1942	5	78	91¾	76½	89	88¼	89	160000
Northern Ont. L.	5,006,500	1931	6	..	94½	..	..	96½	97	5000
Nova Scotia Steel	4,978,500	Deb.	6	75½	75½	49	50	48	51	27000
Nova Scotia Tram.	2,250,000	1946	5	..	85½	..	..	..	..	2000
N.S. Tram.	1,500,000	1952	7	..	95	..	..	..	..	1000
Ontario Pulp	1,500,000	1931	6	104	106¼	104	106¼	106	..	8200
Ottawa Gas Co.	1,000,000	1939	6	100	101½	99½	100¾	100	..	14500
Ottawa L. H.	850,000	1953	6	..	100	..	..	..	..	1000
Ottawa River P.	3,250,000	1953	6½	98	99⅛	97½	98½	98	98½	25200
Price Bros.	10,000,000	1943	6	99	100	99⅛	99¾	99	99½	173500
Paton Mfg.	600,000	1953	6	90	95	90	93½	93	97	152000
Provincial Paper	1,105,000	1940	6	..	100	..	..	98	..	5000
Porto Rico Ry.	$265, 00	1962	5	..	68	..	..	70	..	1000
Prov. of Ontario	40,000,000	1948	5	98½	101½	98⅛	100⅛	100⅛	100⅞	69500
Quebec Power	3,540,000	1953	6	94½	100¼	94⅛	99⅛	99½	99⅞	269300
Quebec Jacq. Cartier	849,000	1931	5	86⅝	92	85½	92	92	..	47200
Quebec Ry.	3,307,200	1951	5	30	30	..	30	..	..	6667
Riordon P.	4,000,000	1929	6	22	22½	22	22½	..	..	11500
Saguenay Pulp	5,400,000	1930	6½	80	81	80	81	..	..	2000
Shawinigan Cotton	968,000	1949	6	..	77	..	..	..	76	500
Shawinigan W. & P.	3,808,500	1934	5	..	102¾	..	..	..	..	4500
Shawinigan W. & P.	6,000,000	1950	5½	102⅛	103¼	101	103¼	..	..	11500
Shawinigan W. & P.	11,010,500	1950	6	..	105⅛	..	..	..	..	3000
South Canada Power	4,637,500	1948	6	99	102	99	102	102	..	71400
Spanish River P. & P.	3,000, 00	1941	8	106½	108⅛	105½	108	107	107⅛	157000
St. Lawrence Flour	96,500	1941	6	..	98	..	98	..	..	1500
St. Lawrence Sugar	2,000,000	1932	6	89	90	89	90	89	..	3500
St. Maur. Valley Cotton	1,415,200	1952	6	75	76½	75	75¾	75¾	..	28200
St. Maurice Power	9,026,600	1953	6½	103	107¼	103	104¾	105	105½	137500
Standard Clay	658,900	1942	6	..	83½	..	..	..	..	500
†Toronto Paper	750,000	1942	6	..	99½	..	..	..	..	6000
Wabasso Cotton	750,000	1942	7	97½	98¼	93½	94½	93½	..	17000
Windsor Hotel	2,500,000	1943	6½	100½	102¼	100½	102	101½	..	44000
West. Koot. Power	1,750,000	1943	6	..	100½	..	..	101½	..	3500
Western Power	5,000,000	1949	5	90⅛	92⅛	87¼	92⅛	92	..	6500
Western Power	500,000	1926	7	97¾	99½	97¾	99½	99	..	3700
†Western Que. Power	250,000	1931	6½	73	73	72¾	72¾	..	..	5000
†Winnipeg Electric	3,250,000	1943	6	91⅛	92¼	91	91½	..	..	49000

*Redeemed. †Called.

WINNIPEG ELECTRIC

The Winnipeg Electric Company in its street railway department carried about 100,000 more passengers in the month of November and 100,000 more in month of December than in the same two months of last year.

November was the first month in which the company had showed an increase in revenue and in the number of passengers carried for nearly two years, and it is hoped that this is the beginning of improved business conditions in Winnipeg.

The gross earnings of the street railway department in December showed an increase of about $7,000.

News and Views of Bond Market

CLOSE MARGIN ON MUNICIPAL AND VICTORY ISSUES

Prices Are Converging to a Five Per Cent. Basis

The easier money rate, as indicated by call money in Wall St., following the rise during the demand for funds for year-end settlements has been accompanied by a firmer tone in regard to bond prices, but there is little change in the situation in the Canadian markets. There is a fairly keen demand from both private and institutional buyers for bonds showing substantial security and returning five per cent. Where prices are higher than will give such a return there is a little more interest, but comparatively small demands. This narrows down the margin between Dominion and Provincial bonds and municipal issues to a much narrower basis than prevailed some months ago. Then with the improvement in exchange there has been buying by British investors and this has supplied an important new factor in the situation as the business is gaining considerable proportions.

Looking forward, opinion is not unanimous regarding the prospects, but there seems to be a growing feeling that sooner or later the demand for money to finance the industrial revival, which the action of the stock market predicts, will mean higher rates. Such a development would undoubtedly lead to the sale of high class securities held by banks as opportunities for employing funds to better advantage offered and lower prices would be in order. The other side of the argument is that there is as yet no assurance that there will be a revival of business on a scale which cannot be freely financed from the large available supplies of money.

Apparently the supply of capital is now adequate for business needs, states the current issue of the Guaranty Survey, published by the Guaranty Trust Company of New York.

Nevertheless, the known capital requirements of the world indicate that the demands on the investment market should be very large for some time to come.

Money rates have been abnormally low for a considerable time, the Survey continues, and should tend to rule somewhat higher this year.

Nevertheless, the large volume of new financing offered for subscription during the last half of 1924 has not had marked effect so far on the rate which investment capital commands. High-grade bonds are, at this writing, selling at levels but little below their recent high prices, despite the fact that approximately $5,500,000,000 of new capital was issued during last year. This is about $1,000,000,000 in excess of the emissions of any other year since the war.

Bache and Co., look for low interest rates to continue for some time:

The situation in the money market and the trend of money are at this time of exceptional interest. The early January demand for funds has passed quickly and money rates are resuming their low quotations. A very large business movement during the year would eventually employ a great volume of funds, but this demand would probably grow gradually, and the outlook now is for continuation of low interest rates for quite a period of time. This would automatically benefit the bond market and the stock market.

John Moody looks for low interest during the early months of the year and higher rates as the year advances:

It is reasonable to expect that interest rates should be very low during the first quarter of 1925, and almost as low during the second quarter, but that they should begin to move upward during the third quarter. Bond yields naturally follow interest rates, but in a tardy manner. This implies a strong bond market for some months, with a recession later in the year.

Spencer Trask & Co., think there is a direct relationship between speculation and the money rate:

After the turn of the year and for several weeks thereafter, we expect money to be easier, but after January it is our judgment that rates will tend to harden, the extent of such hardening depending to a considerable degree on the volume of speculation in stocks.

Prospective Borrowing

The new year has not as yet progressed sufficiently to permit of municipal budgets being framed and there are few new issues being marketed. Later it is anticipated that there will be considerable of this class of financing to be done. Also the provinces have to do substantial borrowing. British Columbia, Manitoba, and Alberta should be in the market before long. As for corporation financing the Bell Telephone and Montreal apartment flotations occupy attention for the moment and it is anticipated that there will be other issues of this character if the success is in keeping with that which attended the C. P. R. financing.

WESTERN ONT. HAS $4 FOR $1 20 YEARS AGO

Scottish Funds Have Played Important Part in Development of That Section

On perusal of the records of two of the older financial institutions of London, it is found that 20 years ago Western Ontario residents had at their credit the sum of $4,600,000; at present time the holdings of Western Ontario people in the same institutions total over $20,000,000. This comparison is, perhaps, as good as any that can be made, and may be taken as a fair indication of the relative wealth of Western Ontario compared with that of 20 years ago—four dollars now where but one existed at that time! This result has been accomplished after the bills arising from our higher and more costly plane of living have been met. In this way D. McEachern, secretary Canada Trust and Huron and Erie Mortgage, sums up the improved position of Western Ontario to-day as compared with a few years ago. He cites additional facts to show the prosperity of the section, the position of mortgage loans and says that the records of the two loaning institutions mentioned above show only 15 compulsory, collections in six years. He says Scottish money has played an important part in Western Ontario's growth. Millions of pounds sterling have been sent across by thrifty Scotsmen for investment in farm and city mortgages during the past half century. These funds were placed with important mortgage loaning institutions of London, Stratford and Guelph, and many millions of dollars of such funds still remain invested in this manner.

Many Bond Issues Due to Come on Market

From Our Own Correspondent.

MONTREAL.—T. B. Macaulay, president of Sun Life, gave the division managers of his company some figures this week of the division of investment of the company. The percentages, which are of interest to investors generally, are as follows: Dominion and provincial bonds, 21.5 per cent.; municipal bonds, 9.17 per cent.; railway bonds, 2.21 per cent.; public utilities and industrial bonds, 23.1 per cent.; preferred stocks, 4.9 per cent.; common stocks, 9.53 per cent.; mortgages, 9.33 per cent.; real estate, 3.10 per cent.; policy loans, 13.50 per cent.

Offer $1,875,000 Bonds of "Chateau" Apartment

From Our Own Correspondent.

MONTREAL.—Raising of the capital required for the new "Chateau" being erected here by Montreal Apartments, Limited, began publicly this week, when an offering was made of $1,875,000 of first mortgage bonds of the enterprise. The bonds, bearing 6½ per cent. interest coupons, maturing in fifteen years, are offered at 98½, thus giving a yield of 6.65 per cent. to the investor. Royal Securities Corporation is making the issue.

This new apartment house will be the largest in Canada and is now being erected on Sherbrooke Street, Montreal's main through thoroughfare, by Hon. P. R. duTremblay, who already owns and operates the large and successful Drummond and Drummond Court Apartments and who is well known also as one of the owners of La Presse. The building will be ready for occupancy on November 1 next, it is planned.

An estimate of earnings has been made, which indicates net revenue, available for bond interest, of $260,000 annually or more than twice interest requirements. The bonds will be redeemable through a sinking fund feature. Provision is made in the capitalization for $350,000 of second mortgage bonds.

TO CASH FRENCH BOND COUPONS

Holders of French bonds in the Dominion are being notified by their banks that the new French law which came into force the first of the year requires all coupons maturing on or after that date to be accompanied by an affidavit certified by a French consul or agent. This affidavit must set forth that the holder of the coupons is a bona fide resident of the district in which the consul or diplomatic agent is residing at the time.

VANCOUVER BOND MARKET

VANCOUVER.—An increasingly important market for bonds is being developed in Vancouver and surrounding districts. It is estimated that there has been an improvement during 1924 in the volume of debentures sold of about 30 per cent. over 1923. The increase applies to transportation and industrial securities as well as utilities, government and municipal.

NO HOPE FOR G.T.P. DEBENTURE INTEREST

Difficult to Understand Optimism That Earnings Would Justify Payment

From Our Own Correspondent.

OTTAWA.—Hon. G. P. Graham has informed the Grand Trunk Pacific debenture holders that the earnings on that portion of the National system during the first six months of the year had not yielded anything for them. This occasions no suprise, for it has been generally known that net earnings have been below those in 1923. At the same time, until the minister made his statement, it was impossible for outsiders to know just what the Grand Trunk portion of the system had done.

If this is true of the first half year, it probably is more true of the latter half. At the end of June the Canadian National operating revenues were $1,038,073 higher than for the corresponding period of 1923; but by the end of October they were $1,345,049 down. The lines in the United States did not do as well last year as in 1923. During the first six months they were about $1,900,000 down, while by the end of October they were down $2,692,000.

The hopefulness of the Grand Trunk Pacific debenture holders is remarkable, especially during this last year, when the drop in the earnings of the railways must have convinced any one at all acquainted with them that the National system could not expect to repeat the showing that it made in 1923. To some extent their hopefulness may be due to the glowing predictions sometimes made on this side of the water.

The Grand Trunk American lines did well in 1923, because there was an unusually heavy movement of coal and other products from the United States. It is also probable that during that year an unusually large volume of freight was routed through Canada, because the American roads were not as well able to handle it. But since then they have so added to their equipment that they themselves can now handle without difficulty much more freight than they could a couple of years ago. Furthermore, taxes are so heavy that not until final returns are in, is it known what these American lines have done during a year.

Utility and Industrial Bonds Chief Sun Life Holdings

From Our Own Correspondent.

MONTREAL.—Several important bond issues are slated for early offering in Canada. The largest is the $25,000,000 or $30,000,000 Bell Telephone issue which will likely be authorized by shareholders next week. Prospects are that the issue will be offered entirely or largely in Canada, although attractive terms have been offered by American bankers.

An issue of $1,875,000 of Montreal Apartments is now being offered by Royal Securities Corporation. The same firm will likely have for sale an issue of Fraser Companies. Another group is preparing the issue authorized by Wayagamack Pulp and Paper Company in connection with the construction of its newsprint mill. An issue of some $3,000,000 is forecast also for the Northwestern Utilities, Edmonton's natural gas utility.

Hollinger Power Fight on Way to Settlement

Those who have been participating in the solution of the fight between Northern Canada Power Company and the Hollinger Consolidated Gold Mines are not prepared to give any intimation as to the progress of negotiations for settlement of the dispute. It is understood though that a satisfactory solution is likely to be arrived at that will be in the interests alike of Hollinger and the power company.

If terms can be agreed upon, it is quite possible that Abitibi Power and Paper Company will purchase the power plant that Hollinger has built. In this case Abitibi would not go ahead with the Twin Falls power plant it had planned for spring construction. Hollinger would then contract to purchase its power requirements from Northern Canada Power.

If terms cannot be agreed upon between Hollinger and Abitibi, the solution will be on some different basis than the tentative proposition just outlined.

GIVE UP VICTORIES FOR WORTHLESS STOCK

Frequently cases come to the attention of THE FINANCIAL POST where holders of Victory Bonds have been induced by slick salesmen to part with their bonds in exchange for stock which they are told will pay them 50 per cent. The Manitoba Free Press points out that a great number of such exchanges were carried out in the promotion of the Hearst Music Publishing house swindle. The point is, that if holders of these bonds had asked themselves why this stock which was paying 50 per cent. dividend was being sold in exchange for a bond only paying 5 per cent., it is very doubtful if they would have purchased the stock at all.

FIVE PER CENT. IN DEMAND

Bond offerings continue to be light and the demand inclines towards those issues which yield 5 per cent. or slightly over, according to McLeod, Young, Weir & Co. The improvement in sterling has resulted in an ever-increasing volume of sales of Canadian securities on the London, England, market. Here, again, the demand is, for the most part, for securities yielding approximately 5 per cent.

WINNIPEG'S GROSS DEBT

The gross debt of the city of Winnipeg at the close of 1924 amounted to $54,077,784, an increase of $3,869,281 over the figure at the close of 1923. During the year stock and debentures totalling $609,712 were retired, and new debentures to the extent of $4,278,993 were issued. These included the following:

Hydro	$1,700,000
Schools	600,000
Water Works	250,000
Local Improvements	1,128,993
Steam Heating	550,000
Provencher Bridge	50,000

The firm of W. H. Logan & Company, of Vancouver, is being taken over by R. P. Clark & Company, of Victoria. The name of the new firm is R. P. Clark & Company, Vancouver, Limited. Both of these investment houses will be directed by Brigadier-General R. P. Clark.

NEW ISSUE

$1,875,000

Montreal Apartments, Limited

6½% First (Closed) Mortgage Sinking Fund Gold Bonds

Maturing Jan. 1, 1940 — Denominations, $1,000, $500, and $100.
Principal and half yearly interest payable in Canada and New York.

We recommend this as an unusually attractive safe investment for the following reasons:

1. It is a first mortgage real estate loan on centrally located, revenue producing property, in the largest city in Canada, to the extent of only 60% of the independent valuation of the mortgaged property.
2. The margin of security is large and will increase rapidly by reason of the annual reduction of bonds outstanding through the operation of the sinking fund.
3. The property is in the heart of the best residential section of Montreal, where values should increase.
4. The ownership of the stock representing the equity in the land and buildings forming the security for the bond issue is in the hands of Hon. P. R. DuTremblay, K.C., M.L.C., who is president of Drummond Investment Co., Ltd., a Director of the Yorkshire Ins. Co., Ltd. (London, Eng.), and also of "La Presse," Montreal. He is regarded as a successful owner of apartment buildings and is of substantial personal worth.

Montreal Apartments, Ltd., incorporated under the laws of Quebec, owns approximately 67,290 sq. ft. of land at the N. W. corner of Sherbrooke and Mountain Sts., Montreal, on which Anglin-Norcross, Ltd., contractors, are now constructing an 11-storey, fire-proof apartment building to be known as "The Chateau," containing 918 rooms, divided into approximately 138 apartments. The plans prepared by Ross and Macdonald and H. L. Fetherstonhaugh, architects of Montreal, embody the latest features of apartment house design.

Proceeds of this bond issue will be issued to provide a portion of the cost of the building.

The bonds are secured by a first (closed) mortgage on the land, building and equipment and by Sinking Fund. Commercial valuation of the land and of the new building and equipment when completed is $3,250,000

Total of First Mortgage Bonds 1,875,000

Equity in excess of First Mortgage Bonds $1,375,000

Based on actual operating figures of the Drummond and the Drummond Court, and on rentals now being received by other Montreal Apartment buildings it is estimated that revenue of "The Chateau" for the first full year of operation (after allowing 10% for vacancies) should be:—

Gross Revenue $350,000
Operating Expenses and Taxes.... 90,000

Net Revenue available for Bond Interest $260,000
Annual Interest on First Mortgage Bond Issue $121,875

Estimated net revenue, therefore, is in excess of twice the amount of bond interest.

Price 98½ and accrued interest, yielding over 6.65%.

Write for Prospectus

Gairdner, Clarke & Company
Government, Municipal and Corporation Bonds
312 Bay Street, Toronto — Telephone: Elgin 2301

New Issue
CANADA NORTHERN POWER CORPORATION LTD.
7% Preferred Stock
Price: 99 and accrued dividend carrying a bonus of 3 shares Common with each 10 shares Preferred.
Circular on request.
MATTHEWS & COMPANY LIMITED
255 Bay Street, Toronto

FOUNDED 1883

Recommendations for January

	Approximate Yield
CITY OF WESTMOUNT 5% Bonds due 1937-64	4.80%
CITY OF THREE RIVERS 5% Bonds due 1957-63	5.05%
CANADIAN PACIFIC RAILWAY 4½% Secured Notes due 1944	5.13%
UNITED SECURITIES LIMITED Guaranteed 6% Preferred Stock	5.82%
N. BAWLF GRAIN CO. LIMITED 6½% First Mortgage Bonds	6.65%

Complete information gladly submitted on request.
HANSON BROS.
Investment Securities
160 St. James St. Montreal — 330 Bay St. Toronto
63 Sparks St., Ottawa

Mining Stocks are very active and strong. We look for much higher prices.
Members Montreal Mining Exchange
BALFOUR, WHITE & CO LIMITED.
136 St. James St., MONTREAL.
TELEPHONE MAIN 1516-17-18.

BURNETT PORTEOUS & COMPANY
Members Montreal Stock Exchange
17 St. John St.
MONTREAL

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO
Telephone Adel. 3871

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

Dickinson and Walbank
(Members Montreal Stock Exchange)
No Account too small to receive our careful attention.
152 ST. JAMES ST., MONTREAL
MAIN 4090
T. Kelly Dickinson. J.Y.K. Walbank.
W. McLea Walbank.

VERSAILLES-VIDRICAIRE-BOULAIS LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a Specialty

THE NATIONAL CITY COMPANY · CANADA

Sound Values

for your Safety Deposit Box

The following high-grade Bonds which have been selected from our current list offer an excellent opportunity for diversified investment in readily marketable securities:

Dominion of Canada Guaranteed
(Issued by Canadian National Railway Company)
5% Bonds due Feb. 1, 1954
Price to yield 4.92%

Kingdom of the Netherlands
6% External Bonds due April 1, 1954
Price to yield 5.90% N.Y.

Kingdom of Norway
6% External Bonds due Aug. 1, 1944
Price to yield 6⅛% N.Y.

Republic of Haiti
6% External Bonds due Oct. 1, 1952
Price to yield 6.60% N.Y.

Japanese Government
4% Sterling Loan due Jan. 1, 1931
Price to yield 7.15% N.Y.

Province of Quebec
(Free of Succession Duties)
4½% Bonds due June 1, 1946
Price to yield 4.55%

Province of Ontario
6% Bonds due Sept. 15, 1943
Price to yield 5.10%

Province of Manitoba
4½% Bonds due Dec. 1, 1944
Price to yield 4.90%

Canadian Pacific Railway Company
4½% Note Certificates due Dec. 15, 1944
Price to yield 5⅛%

Duke-Price Power Company
6% First Mortgage Bonds due July 1, 1949
Price to yield 6.04%

West Kootenay Power & Light Company
6% General Mortgage Bonds due June 15, 1943
Price to yield 5.73%

The above Bonds are offered subject to prior sale and change in price. Complete information regarding any issue will be furnished upon request.

The National City Company
Limited
Head Office—112 St. James Street—Montreal
10 King Street East TORONTO · 204 Union Bank Building OTTAWA · 71 St. Peter Street QUEBEC

Advisory Board
Sir Charles B. Gordon, G.B.E., *Chairman* · Sir John Aird · A. J. Brown, K.C.
Hon. Sir Lomer Gouin, K.C.M.G., M.P. · Charles R. Hosmer · Wilmot L. Matthews
Fred W. Molson · Lt.-Col. Herbert Molson, C.M.G., M.C. · Sir Augustus Nanton
Edson L. Pease · W. N. Tilley, K.C. · Hon. J. M. Wilson

AT YOUR SERVICE—

OUR OFFICES AT
Montreal · Halifax · Kingston
Moncton · London · St. John's, Nfld.
Toronto · Sydney · Sherbrooke

Whether you are a client of ours or not, any of these offices will supply you with any desired financial information on request.

JOHNSTON AND WARD
Canada Trust Bldg., 14 King St. East, Toronto
Members: Montreal Stock Exchange—Toronto Stock Exchange.
Direct Wire Connections.

Town of Aylmer, Quebec

Tenders will be received up to February 3rd, 1925, for $45,000 10 year debentures, interest at the rate of 5½% per annum and payable half yearly. Debentures will be issued to retire floating debt and pay for extensions to water works and sewer.

Tenders to be addressed to Mayor and Secretary-Treasurer, from whom further particulars may be obtained.

G. R. NASH, Mayor. Aylmer
E. MANBACH, Secretary-Treasurer. Quebec

Canadian Pacific Railway Company
4½% Note Certificates.

Orders will be filled promptly.

R. A. DALY & CO.
Members Toronto Stock Exchange
BANK OF TORONTO BLDG. TORONTO · 50 CONGRESS STREET BOSTON

Municipal and Provincial Finance

WOULD INCREASE OUR POWERS UNDER THE CONSTITUTION

Sifton Outlines Issues Which Should be Cleared Up

Pointing out that within the last few years such a situation has arisen between Canada and Great Britain and foreign countries that there is necessity for considering certain changes in our constitution, Sir Clifford Sifton, in a recent address referred to the limitations upon our powers of government that in his opinion should now be cleared up. He said in part:

I have now specified the limitations upon our powers of government. You will observe that they are:

First—Important amendments to the constitution.

Second—Extra-territorial jurisdiction, and

Third—The making of peace and war.

I think it goes without saying that these still outstanding matters should be cleared up as soon as convenient.

We should have a proper method of amending our constitution without the ridiculous and obsolete procedure of going to the British parliament. Beyond that the few remaining limitations on our power of self government should be removed. There is really no difference of opinion about this among people that understand it. The confusion of mind and violence of language which is sometimes exhibited, is due entirely to a lack of understanding. We have some good people here who bristle when this subject is mentioned, and persist in regarding it as a sign of hostility to Britain. They insist on being more loyal than the King and more Catholic than the Pope. Let us see what is thought of it in England. I quote the London Times:

"It is doubtful if public men in Canada realize how unreservedly the principle of equal status has been accepted in England. The old notion of colonial dependency is considered an anachronism. The war made it an absurdity. The principle of absolute equality is obvious, but there are doubters, there are politicians and publicists in Canada and elsewhere whose language on this subject is early Victorian."

Public opinion in England as indicated by press, platform, parliament and public men, is that everything necessary to bring about complete and equal status should be done.

We require to have the diplomatic status which we have in principle acquired given complete international recognition in order to enable us to take our proper place in international affairs. This is particularly necessary in North and South America, where business is developing rapidly and becoming increasingly important. But there is no real difficulty about this. As I have said, everyone is perfectly willing.

The real difficulty is in connection with peace and war.

Great Britain is a world power, militant and imperialistic, which has taken possession of vast and productive regions of the earth and means to hold them peacefully if she can, but forcibly if she must.

The self-governing dominions are huge, youthful, peaceful communities, having no sympathy with war and desiring only to be allowed to proceed with their own peaceful developments. To work out a more or less permanent system under which we shall remain a part of what is called the British Commonwealth of Nations, and at the same time not be called on to do violence to our conception of the national duty and interest of Canada, is the task of the immediate future.

Black Gave Manitoba a Proper Sinking Fund

WINNIPEG.—In connection with the retirement of the Hon. F. M. Black from the arena of municipal finance in Manitoba, one achievement of the former treasurer, according to the Manitoba Free Press, will stand out in the course of years as a singular service to the province. This is the establishment of an adequate sinking fund for the gradual retirement of the provincial debt.

By imposing a provincial income tax which brought in about $400,000 in the past fiscal year, by cutting the cost of the general services of the province, and taking the new money from the administration of the liquor laws, the provincial treasurer was able to balance the budget during the last financial year with a credit balance of about $100,000. Early in their term of office, the Bracken government were advised by the accounting department that the deficit for the previous year was $1,500,000. The province had large maturing obligations, and the problem of balancing the budget was a serious one.

Aside from his service in this direction, however, the Manitoba Free Press emphasizes that "in the course of years it will be seen that in this one act, Mr. Black rendered a service of great moment to the province."

ALBERTA LIQUOR PROFITS

Profits of well over a million dollars have been made by the Alberta government from eight months' operation of the Liquor Control Act. What is now concerning the municipalities is what proportion of this year's liquor profits they may expect to receive. So far as last year's profits are concerned the municipalities will not participate.

DUNDAS FINANCIAL PROBLEMS

At a recent council meeting in Dundas it was stated that the finances for the current year would offer a considerable problem. The town is obliged to pay $10,000 more into the county council than last year since Judge Evans' recent equalization award meant an increase from 8.6 mills to 11.3 mills. It was regretted that the town had not succeeded in getting secession from the county.

Would Have University Pay Improvement Taxes

The Toronto Board of Education has asked the Ontario Statute Revision Committee to amend the assessment act to exempt sites secured for school purposes from taxation both before as well as after they have been built upon.

The members of the committee did not seem to take very kindly to the idea and the opinion was heard from one of the members that the tendency was to make too many exemptions and thus dry up the source of municipal income. Judge Ferguson went so far as to declare his conviction that educational institutions should pay their local improvement taxes to the municipality. In this he would include the University of Toronto, the buildings of which he indicated by a gesture as he looked upon them through the window of the committee room in the parliament buildings

WINNIPEG OUT TO CUT ASSESSMENTS

Portion of Taxes Turned Over to the Province Can be Reduced in This Way

From Our Own Correspondent.

WINNIPEG. — Owners of Winnipeg business property, of whom there are many outside of the city, will welcome the intimation that has been made by the city assessment commissioner, Mr. J. G. Harris, that a further reduction in assessments is likely to take place this year. Last year reductions totalling over $5,000,000 were made, principally on assessments of property north of Banatyne Ave. on Main St., and west of Sherbrooke St. on Portage Ave. That property, just outside the main business portions of Portage Ave. and Sherbrooke St. received excessive valuations, both from owners and assessors in the city's boom period, and developments since that time failed to produce business that would maintain such valuations.

The assessment commissioner intimated that probably another $5,000,000 or $6,000,000 would be taken off land assessments this year, adjustments taking place over a wide area and not only in specialized districts, as was the case last year. The city has a decided interest in keeping its assessment low, as is the case with all Manitoba municipalities, for a considerable portion of the revenue of the province is obtained by a tax known as the municipal commissioner's levy, imposed against all municipalities on the basis of an equalized assessment which is set by a provincial board, and the board naturally considers the assessments which are actually in effect in each municipality in making its allocations of the burden.

Metropolitan Asks Fixed Assessment at Ottawa

OTTAWA.—The city of Ottawa has again been approached by the Metropolitan Life Assurance Company with the proposal that they be given a ten-year fixed assessment of $1,500,000 on the building which they propose to erect and which is to cost in the neighborhood of $2,000,000.

The company bases their plea on the grounds that the building is intended eventually to be used exclusively by themselves, and that it could not be remodelled for commercial uses except at heavy expense. While a few shops will occupy the ground floor and a few offices the top floor, this is only temporary, as the company is precluded by law from building except for their own use. In suggesting an assessment of $1,500,000 the company feels that it is naming a figure which under the Assessment Act would be an outside amount at which to assess the property and that, therefore, the company is, insofar as this is concerned, not asking any concession. At the same time it is added that the fixing of the assessment for a period of ten years would be a substantial advantage and would in this sense be a concession resulting in the building of a structure which would be a credit both to the city of Ottawa and to the company.

This Week's Bond Sales

LONDON TREASURY NOTES

An issue of $673,000 City of London 5 per cent. nine month treasury notes, due October 15, 1925, payable in Canada, and a further $600,000 of the same maturity, payable in the United States, were awarded recently to Gairdner, Clarke & Co. The second highest bid for the notes payable in Canadian funds was made by the Bank of Montreal.

EDMONTON ISSUE

The next issue of $500,000 City of Edmonton 5½ per cent. bonds, maturing the majority in 1964, has been awarded to Cochran, Hay & Co., and McDonagh, Somers & Co., on a bid of 97.51. The following bids were received:

	Pay. in Canada	Pay. in Canada and N.Y.
Cochran, Hay & Co.	97.27	97.51
Royal Financial Corp.	97.11	97.36
McLeod, Young, Weir & Co.	96.80	....

Tenders and By-laws

TENDERS WANTED

Jan. 27, Halton County—$69,000, 5%, 20-year highway debentures. Wm. Panton, Clerk, Milton.

Jan. 19, Sherbrooke—$542,000, 5 per cent. Dec. 1, 1925, to Dec. 1, 1949; $77,000, 40-yrs.; bonds due as follows: $80,000 in series from $385,000, 30-yrs. A. Deslauriers, City Clerk.

Jan. 20, City of Levis.—$46,200. Dated April 1st, 1925. Tenders at both 5 and 5½ per cent. asked for. Interest payable on the 1st of April, and October. Maturing serially as follows: April 1926, $3.000; April 1927, $500; April, 1930, $200; April 1932, $100; April 1933, $4,400; April 1934, $4,600; April 1935, $4,900; April 1936, $5,100; April 1937, $5,400; April 1938, $5,700; April 1939, $6,000; April 1940, $6,300. Lionel Lemieux, city clerk.

Feb. 3, Aylmer, Que.—$45,000, 5½%, 10 yr. bonds (see announcement on page 13.)

Feb. 9, Hull, Que.—$267,000, 5%, serial bonds, maturing 1928 to 1942.

DEBENTURE NOTES

New Toronto—Debentures to the amount of $93,200 for local improvements were authorized at the inaugural meeting of the council held this week.

LONDON FACES HEAVY LOSS ON HOME BUILDING

City May Suffer Loss on Housing Venture of $50,000

From Our Own Correspondent.

LONDON.—The danger of a city going into the building of houses has been amply demonstrated in London, and the work of the auditors who presented their report to the first meeting of the 1925 council, showed that already the city faces a loss of $55,000 on its venture, and that loss may be increased if the property is not disposed of.

London started housing in 1919, and bought land at Pine Lawn and on Garfield avenue to build houses, putting up 42 on the former site and 17 on the latter. There were no definite purchasers in sight for the properties, but the city went ahead and built the places, expecting that there would be a rush of customers to take the property off its hands.

The rush did not come then and it has not come since. There is a striking contrast between the experiences of the houses built by the city under the terms of the government loan and those put up by private parties. There were 132 other houses put up by loans guaranteed by the city to provincial government, but they were erected by private parties, built where these people wanted them built and in the style that they desired, and not in any instance will there be a loss to the city.

The Pine Lawn houses cost London from $4,200 to $4,500, and those on Garfield avenue $5,500. When it was found that they were not selling, the price was reduced, until to-day it stands at $1,000 less per house than the cost of erection, and still the city has the majority of the houses on its hands.

It has been a severe lesson that there are certain lines of activity that the city has no business entering. The loss to date is equal to one mill on the city tax rate, but so far there has been no move to include any of this loss when striking the estimates for the year.

FIVE-CENT LEVY FOR TOWN PLANNING COST

Market Gardening and Subdivision Plan Made by Committee Studying Idea

Certain interesting recommendations relative to town planning have just been made by a committee composed of representatives of various organizations appointed last March to study the question. Their findings were summed up in a memorandum which is based on a report prepared by T. D. leMay, City Surveyor of Toronto.

In the recommendations it is suggested that every parcel of land as at present owned can be subdivided independently of the adjoining lands. It is also urged that a five cent tax be levied on outside subdivisions in order to pay for improvements which are for the benefit of these subdivisions as well as of the city. The recommendations are of interest to other municipalities and the leading points are therefore given in detail as follows:

That every parcel of land as at present owned can be subdivided independently of the adjoining lands.

"This is necessary to cope with conditions already created by ill-considered sales by metes and bounds.

"To provide for the completion of a road shown on the general plan, which at present is dedicated by various owners in disconnected sections. It should be possible to connect a road across the lands of an intervening owner who is not ready to subdivide. It is fair to assume that sooner or later he will dedicate the road himself and is therefore only entitled to compensation on the basis of the use to which he puts the land in the meantime. This would do away with difficulties caused by purchase of large areas for golf clubs and cemeteries.

"The difficulty is the distribution of the burden. It might be met by a levy of 5 per cent. in land or value of each subdivision approved to form a fund for the acquisition of parks in suitable places.

"Subdivisions approved in the city pay a tax of 5 cents a foot. Outside they pay nothing, although proper planning is a direct benefit to the township and the lands therein. This provision should be extended to all plans approved by the city; the city being saddled with the cost of preparing the general plan of development."

Provinces Cannot Control Federal Charter Flotations

From Our Own Correspondent.

WINNIPEG.—The attorney generals of the three western provinces are making a concerted attempt to secure from the Dominion Government powers which will strengthen their control over the sale of shares. While all three provinces have laws affecting the sale of shares, it is generally conceded that the provinces have no powers to prevent the sale of shares in companies which secure Dominion charters. The recent episode of Hearst Music Co., by which residents of Manitoba lost about $600,000, mainly through the fact that Hearst secured a Dominion charter for his company, has called renewed attention to this matter, and the Hon. J. A. Cross has already secured the passing of a resolution in the legislature of Saskatchewan, endorsing his position.

MANITOBA FINANCES

WINNIPEG.—Of $17,000,000 Manitoba loans maturing in 1925, the provincial government has refunded $4,000,000 at 4⅞ per cent., a saving of 1⅛ per cent. For this principal the government borrowed $3,720,000 in 20-year bonds. In addition, the province will pay off $1,700,000 in cash, leaving $11,300,000 to be refunded.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

MUNICIPAL

Place	Date	Purpose	—Sold To—	Rate	Maturity	Amount	Price	Yield
Edmonton	Jan.	....	Cochrane Hay & Co., and McDonagh, Somers & Company	5½%	1964	$500,000	97.51	5.65
London (Treasury Notes)	Jan.	....	Gairdner, Clarke & Co.	5%	Oct., 1926	673,000	.....	....
London (Treasury Notes)	Jan.	....	Gairdner, Clark & Co., payable in U.S.	5%	Oct., 1926	600,000	.....	....

MAISON RENE-T. LECLERC INC. 1901

Public Utilities in Favour

The success of Canadian Public Utilities has placed their securities among the most stable and profitable types of investment.

Typical examples are:

United Securities 6% Pref. Stock
Montreal Tramways 5's — 1941
Montreal Pub. Service 5's — 1942
Quebec Power 6's — 1953
Quebec Railway 5's — 1939

Full particulars on request.

RENE-T. LECLERC
Incorporated
Montreal:- 180, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
E 164

$600,000
Admiral Beatty Hotel
St. John, N.B., Canada
First Mortgage 20-Year 7% Sinking Fund Gold Bonds
Price: 100½ and accrued interest to yield the investor
6.95%

SECURITY
These bonds are secured by a first mortgage on assets valued at approximately $1,500,000.

MANAGEMENT
The Admiral Beatty will be under the direction of the United Hotels Company of America, now operating 22 hotels in the United States and Canada.

Write for circular

CREDIT-CANADA
Limitee
ESTABLISHED 1910
120 ST. JAMES ST., MONTREAL

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 6077-78 TORONTO

The safe investment of your funds is our chief concern.

H. R. BAIN & Co. Ltd.
Government & Municipal Bonds
371 Bay St. - Toronto

AMERICAN CAN SELLING TOO HIGH?

AFTER a meteoric rise of 72 points above the low of 1924, it is natural to wonder whether the shares are due for further advance or substantial reaction.

Ask for our American Can bulletin.

Truax, Carsley & Co.
MEMBERS MONTREAL STOCK EXCHANGE
96 Notre Dame St. W., Montreal
Tel. Main 3618

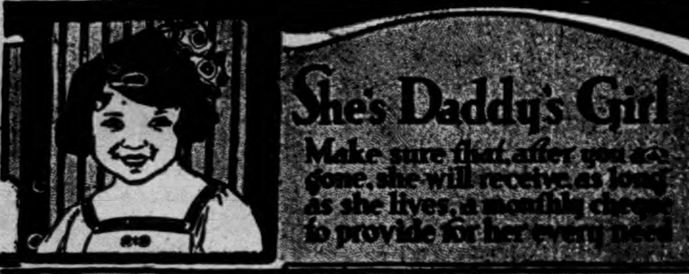
The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$81,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

1869 Mutual in Theory and Practice 1924

A Life Company that is genuinely MUTUAL exists for one sole purpose—to reach as many homes as possible with its protective policies, furnishing them at the lowest cost. To this end all profits arising from economical management, low mortality, high interest and other sources are distributed IN THEIR ENTIRETY among the members and are used to lower premiums or increase the amount of insurance, or may be withdrawn in cash. Maximum protection at minimum cost is the exclusive aim and object of a truly mutual company. The result of this intensive effort in our own case is that we have given protection at actual cost to the company, and members of the mutual are found in every part of the Dominion—our organization is mutual both in theory and practice.

THE MUTUAL LIFE OF CANADA
Funds Distributed or Held For Distribution, $106,492,134. — WATERLOO ONTARIO. — Business in Force: $290,000,000.

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.



The IMPERIAL LIFE ASSURANCE CO.
OF CANADA
HEAD OFFICE TORONTO

We have for sale a limited amount of
Preferred Stock of
DOMINION FINANCIAL CORPORATION, *Limited*
on a very attractive basis.
Price and other particulars on request.
MORTGAGE INVESTMENT COMPANY, Limited
W. M. WILSON, President. — 232 St. James Street, Montreal.

WOULD ERECT $500,000 PLANT

EDMONTON.—George L. Hoxie, managing director of the Alberta Tar Sands Products Co., states that his backers, principally Americans, are prepared to invest $500,000 in a paving block plant if a market can be found for this material, which will be produced from the Athabasca tar sands. Mr. Hoxie states that experiments, conducted for more than a year by the Smith Emery Company, of California, industrial chemists, show that the Athabasca sands could produce the most economical paving material.

Insurance for Buyer and Seller

MOST MEN POSSESS SAME TRAITS IN VARYING DEGREES

Human and Other Problems Discussed at Insurance Conference

A complete discussion of psychology as it affects the selling of life insurance by Dr. Griffin Lovelace, director of the school of life insurance salesmanship in New York University, was one of the many valuable addresses delivered at the educational congress of the Dominion Life Underwriters' Association in Toronto last week. Dr. Lovelace, who is widely known for his success in training life insurance men and his books on the subject, outlined at length the common physical and mental attributes which are present in all prospects to a greater or less degree, and showed how these affected the insurance sale. Among others he mentioned the love of children, the pride of ownership, a natural curiosity, a desire to eat and sleep at regular intervals, etc. By illustrations he showed how desirable it was for insurance men to have a knowledge of these common traits. He then showed how this general information can be enhanced by the personal study of each prospect, his habits and circumstances. He indicated how general it is to find under the reserve, caution and gruffness of most busy business men a genuine humanness and interest in certain subjects and cautioned the underwriters to keep this in mind in dealing with prospects.

World's Newest Wealth

In speaking of the world's newest form of wealth—life insurance moneys—J. J. McSweeney, president of the association, outlined the rapid growth in the volume of business in force and the assets of the companies. He pointed out that the number of policyholders had increased from 1,837,602 in 1914 to 4,442,000 in 1923; the assets of the various Canadian companies had advanced from $370,000,000 to $865,000,000; the income of the companies had increased from $73,000,000 to $210,000,000; and the payments to policy-holders had advanced from $28,000,000 in 1914 to over $79,000,000 in 1923.

Mr. McSweeney then showed how these great accumulations of money have been used to finance the necessary developments of the country. He analyzed the assets of the companies as follows: bonds, 53.94 per cent.; mortgages, 20.66 per cent.; real estate, 2.70 per cent.; stocks, 3.73 per cent.; miscellaneous, 18.97 per cent.

The rest of the congress, which was termed by those attending, as one of the best and most helpful ever held by the association, consisted of addresses, sales demonstrations, debates and discussions on current insurance topics. A debate on the subject, "Resolved that it is advisable to sell straight life policies in all cases," was won by the affirmative.

FEWER MONTREAL FIRES

MONTREAL.—The annual report of the fire commissioners of this city shows a decrease of 31 fires for 1924 as compared with the previous year. In all, 2042 fires occurred during the year and of these, 671 originated from unknown causes. During 1923 the cause of 915 fires was unknown.

INSURANCES LICENSES

The following licenses have been issued by the department of insurance, Ottawa: to the Union Reserve Insurance Company to issue fire and tornado insurance, T. Meunier, Montreal, having been appointed chief agent in Canada; to the World Fire and Marine Insurance Co. to issue automobile insurance; to the Pacific Coast Fire Insurance Co., the Century Insurance Co., and the Anglo-Scottish General Commercial Insurance Co. to issue tornado insurance.

Appoint Ruby to Mutual Life Board of Directors

The board of directors of the Mutual Life Assurance Co. have appointed Charles Ruby, general manager of the company, to fill the vacancy on the board caused by the death of the late E. P. Clement, K.C. Mr. Ruby was also appointed a member of the executive committee. This appointment comes to Mr. Ruby, after a long and successful career with the Mutual Life, extending over a period of 41 years. He entered the service of the company in 1884 and became actuary in 1902, secretary in 1907 and general manager in 1918. He is widely known not only among the policyholders and staff of the Mutual Life, but in insurance circles generally. He is a past president of the Life Officers' Association.

Imperial Life Reports General Increases

A year of sound progress and general advances in the business of the Imperial Life Asurance Co. was reported by G. A. Morrow, president of the company, at the annual meeting this week. The new assurances issued amounted to $33,424,317, exceeding by $4,449,161, the amount issued in the previous year. To-day the total amount of assurance in force is $176,068,256, an increase during the year of $19,837,394. In 1914 the business in force amounted to $45,794,225, this having trebled in ten years.

The annual gain made last year in assets was the greatest in the history of the company, having been increased during the year by $3,214,552. The total is now $31,259,195. A total of $2,857,183 were disbursed as benefits to policyholders and their beneficiaries, comprising death claims, matured endowments and dividends.

The policy and annuity reserves amount to $26,249,613. The average rate of interest earned by the company on its invested assets was 6.23 per cent., as compared with 6.14 per cent. in the previous year.

The policyholders' net surplus fund was increased by $248,160, after the company had provided for its reserve on a 3 per cent. interest basis for all other liabilities, and for paying out dividends to the policyholders in the year of $906,356. The policyholders surplus fund now amounts to $2,998,120, showing a considerable increase over that earned in any previous year.

The board of directors was re-elected with the addition of D. B. Hanna, president of the Western Canada Flour Mills.

Life Insurance Brokers Make Telephone Pay Way

Many and varied are the methods of selling life insurance, but there is one way which a firm of life brokers operates in New York—and that is by telephone. Salesmen sit all day at the phone ringing up many prospects telling them exactly the service they are equipped to render—should they receive encouragement, a salesman who is thoroughly conversant with the type of covering required immediately makes a call. It can be done because—this firm makes it pay.

Following the action of the Dominion Life Underwriters' Association in securing the right to grant a degree of Chartered Life Underwriter, according to certain educational standards, the National Association of Life Underwriters in the United States has been considering some similar plan. A committee investigating the matter will report at the mid-year meeting of the executive committee in New York on March the ninth. It is suggested that the degree in the United States may be Counseller in Life Insurance.

Canada Life Business Was Over 100 Millions

Another big advance in the business of Canadian life insurance companies is heralded by the annual report for 1924 of the Canada Life Assurance Company, the first to be made public. The new insurance issued by the company during the year totalled $127,131,000 and the amount paid for was $105,529,000. This represents an advance of 30 per cent. over the amount written in the previous year. The assurance now in force totals $485,680,000, an increase of $73,245,000 over that in force on Dec. 31, 1923. The income for the year just past amounted to $24,727,000, while the total payments to policyholders were $10,404,000. The assets now stand at $103,208,000.

Several distinct advances were made by the company during the year aside from the substantial increase in the business secured. These were outlined at the annual meeting by H. C. Cox in his presidential address. He commented briefly on the difficulties encountered by the loaning agencies in the West and cautioned against too free loaning. He also outlined the development of uniform insurance laws. The growth of the company's business made it advisable to enlarge the executive during the year, resulting in the election of Leighton McCarthy as a vice-president, who will act in conjunction with E. R. Wood. T. G. McConkey was appointed general manager and A. N. Mitchell and A. Gordon Ramsay were promoted from positions as assistant general superintendents to superintendents. The board of directors was also strengthened by the addition of J. A. McLeod and W. E. Rundle.

Throughout the year the company made large increases in the volume of group insurance on the lives of men and women in factories, offices, stores and other organized industrial bodies. Many large policies were issued on the lives of business men, the number during the year over $50,000 each, running into several hundreds. A steady policy of careful education of members of the staff was continued.

Not Sound for Concern to Carry Own Insurance

MONTREAL.—In their weekly publication, the Travelers Insurance company recently pointed out some of the disadvantages which accrue to a corporation doing its own group insurance. The point stressed was the fact that the insurance company is much better equipped to follow up and keep in contact with a man who is drawing sick or accident benefits than the employers; also the insurance company will provide the best of medical attention and there is no friction developed between employer and employee over the length of time necessary for convalescence.

But there are other reasons which prevent companies from self-insuring. Possibly the chief reason is the fact that records show that the insurance company sometimes loses money on individual risks over a period of years, and secondly that the rate for group insurance is low. Most corporations, too, feel that the catastrophe risk is too great for them to bear, and it is because of this, that few, if any, in Canada are doing their own insurance.

Many Canadian corporations, though, are running their own pension fund schemes, but here too, the insurance salesman has a fine undeveloped field for the sale of annuities. When the aged employee is retired on an annuity purchased from an insurance company, he is relieved of all worry as to the stability and permanence of his late employers. The increased sale of annuities of this nature to corporations by the government and by private companies proves that both the companies and the employees are gradually coming into a better realization of the benefits of this form of insurance.

The Record of Fire Losses in Canada

Place / Property	Date	Loss	Insurance	Cause
Nova Scotia				
Sydney Mines, G. Chalock, residence	Jan. 2	3,500	covered	......
Halifax, King's College, building	Jan. 1	500	......	unknown
New Brunswick				
Fredericton, Mrs. A. H. Jewett, building	Dec. 28	1,500	covered	def. chimney
Mrs. G. Sears, contents	Dec. 28	total	none	......
H. Davenport, contents	Dec. 28	total	none	......
Fredericton, Julius Inches block	Dec. 28	90,000	85,000	......
Canterbury, A. Boone, res. and barns	Dec. 30	total	none	......
St. John, F. T. Walsh, shop	Dec. 31	consid.	covered	......
Newcastle, F. Harris, res. and barn	Jan. 1	heavy	partial	......
Sackville, Bowser Homestead	Jan. 4	500	none	unknown
Moncton, F. C. Fillmore, store	Jan. 5	4,000	3,000	o'heated stove
Quebec				
Bury, W. Hooker, barns	Jan. 2	16,000	partial	......
St. Hyacinthe, block & contents of stores	Jan. 1	200,000	partial	......
Montreal, block of apartments and stores	Jan. 2	150,000	......	......
Montreal North, tenement building	Jan. 2	total	......	o'heated stove
Montreal, Ste. Agathe Lane, res.	Jan. 2	total	......	unknown
Quebec, P. Martin, building and contents	Jan. 4	2,000	......	unknown
Three Rivers, Can. Bank of Commerce building	Jan. 7	heavy	......	unknown
Montreal, Notre Dame de Grace apts.	Jan. 3	35,000	......	......
Montreal, Sherbrooke garage	Jan. 6	consider.	......	......
Ontario				
Arden, B. F. Detlor, barn and stables	Dec. 28	total	covered	unknown
Rockland, A. Pommier, store and contents	Jan. 4	3,000	......	......
Owen Sound, Nor. Bolt Screw & Wire Co. plant	Jan. 6	75,000	covered	short circuit
St. Thomas, 4 stores and 3 apartments	Jan. 1	25,000	partial	......
Brantford, Brantford Roofing Co. plant	Dec. 31	20,000	......	......
Aylmer, G. A. Bingham's feed store	Jan. 5	heavy	......	......
Wingham, A. G. Smith, residence	Jan. 7	consid.	partial	unknown
Oshawa, Hospital and Gen. Motors restaurant	Jan. 7	heavy	......	......
London, Price, & Hawke, building	Dec. 30	2,000	covered	o'heated stove
Haileybury, Liggett Drug Co. store	Jan. 5	heavy	......	......
Highgate, G. H. Luther garage, post office and three barns	Jan. 2	15,000	partial	......
Ottawa, Savoy Restaurant	Jan. 2	1,000	......	unknown
Kingston, E. Burley, barn	Jan. 2	total	......	lamp
Hamilton Beach, Tuckett cottage	Jan. 4	2,000	......	unknown
Thorold, P. Lyall Construction Co. barn	Jan. 2	total	......	unknown
Bradford, Dr. C. Devins, residence	Jan. 5	heavy	......	......
Ottawa, A. Pommier, residence and store	Jan. 5	1,500	partial	unknown
Seneca Station, F. Harrison garage and cars	Jan. 4	total	350	......
Richmond Hill, G. Duncan, barn and contents	Jan. 6	total	......	unknown
Toronto, American Radiator Co's plant	Jan. 8	75,000	covered	electric wire
Hastings, Wm. Sharpe, barn and contents	Jan. 4	heavy	partial	lantern
Kirkton, J. C. Moore, store, barn and apart.	Jan. 2	total	12,000	o'heated f'nance
Cornwall, A. Latour, residence	Jan. 2	7,000	2,800	......
Fairbank, A. Everett, residence	Jan. 9	1,500	......	short circuit
Windsor, Grinnell Bros. Music Co.	Jan. 9	80,000	......	unknown
Windsor, G. Bloxom, residence	Jan. 9	1,000	......	def. chimney
Toronto, Hawley Automobile Supply Co.	Jan. 10	9,000	......	......
Toronto, M. Brenner, garage	Jan. 11	1,200	......	gas heater
Ottawa, Holbrook shop and chambers	Jan. 11	150,000	......	unknown
Manitoba				
Winnipeg, Henry Bros. Dye shop	Dec. 29	6,000	covered	o'heated stove
Atwater, I. J. Foshager barn	Dec. 25	total	1,100	......
Winnipeg, Art Furniture Co., building	Dec. 30	2,000	partial	......
Portage LaPrairie, H. Rosen	Dec. 27	total	partial	unknown
Fort Garry, K. L. Pellier, store	Jan 1	8,000	partial	......
Giroux, F. Tetrault, residence	Dec. 27	total	......	......
Winnipeg, Free Church of Scotland building	Jan. 4	10,000	......	......
Winnipeg, S. Burbaski, store	Jan. 4	800	covered	......
Winnipeg, Northern Shirt Factory	Jan. 9	250,000	......	......
Saskatchewan				
Frobisher, D. Byers, residence and contents	Dec. 28	total	......	unknown
Yorkton, G. Spanos, cafe and apartment	Jan. 5	25,000	......	......
Webb, Mrs. Daisy Gatzke, residence	Jan. 3	5,000	3,000	unknown
Alberta				
Bawlf, Lutheran Church	Dec. 28	heavy	partial	def. pipe
Pollockville, Rooke's restaurant	Jan. 2	total	......	unknown
Edmonton, Syndicate Block	Jan. 8	60,000	......	......
Cappon, W. Hemstreet, residence and contents	Dec. 12	total	......	unknown
British Columbia				
Kamloops, Industrial School	Dec. 29	20,000	none	......
Rossland, W. K. Esling Apartments	Dec. 26	consider.	covered	......
Burnaby, G. Thornhill, res.	Dec. 22	3,000	......	def. flue
Burnaby, F. Mabin, res.	Dec. 22	500	......	def. flue
Vancouver, Guarantee Wholesaler Ltd. Imperial Bowling Alleys & A. E. Betchley furniture store	Dec. 29	30,000	partial	unknown

During 1924—
The Canada Life Assurance Company
(78 Years Old)
Made the following substantial progress:

		Increase
Total Insurance in Force increased to	$485,680,000	$73,245,000
Total Assets increased to	103,208,000	8,959,000
Reserves for Protection of Policyholders	89,122,000	8,426,000
New Assurances issued in 1924	127,131,000	32,914,000
New Assurances paid for in 1924	105,529,000	26,353,000
Surplus earned in 1924	3,541,000	727,000
Total Income for 1924	24,727,000	4,152,000
Dividends to Policyholders in 1924	2,897,000	648,000
Total Payments to Policyholders in 1924	10,404,000	1,268,000

Above, in brief, are the results for 1924, as shown by the Financial Statement.
Below are some of the noteworthy achievements of the year:

1. Dividends on most classes of policies have been increased.
2. Made the largest surplus earnings in the history of the Company, extending over seventy-eight years.
3. Continuing to improve service to public by special educational training of field force, more representatives having benefit of this instruction than in previous years.
4. Placed more insurance with present Policyholders than in any other year, and increased public interest in Monthly Income, Business, Estates and Group Insurance.

(A Complete Annual Statement Will Be Mailed Upon Request.)

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

SALVAGE
The Assured's Duty

It is not generally known that the assured in case of fire is responsible for the protection of salvage from thieves and the weather until such time as the insurance adjuster arrives.
This knowledge may save you thousands of dollars if fire destroys your premises.

The British America Assurance Company has for more than ninety years borne an enviable reputation for prompt payment of claims.

THE
BRITISH AMERICA ASSURANCE COMPANY OF TORONTO
Established 1833

Consistently Doubling
every fifth year since commencing business 1892
Business-in-force, 1923 $351,402,1[illegible]
Assets, 1923 56,235,1[illegible]
Great-West Life

5½%
on Guaranteed First Mortgage Certificates.
Descriptive Booklet free on request.
THE STERLING TRUSTS CORPORATION
10-12 EAST KING ST TORONTO

Two Good Openings
A well established Canadian Life Insurance Company wants District Manager at two important Ontario Cities. Both are old Agencies, with good surrounding territory. Applicants with good insurance record only considered.
Box 124, Financial Post

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
Financial Assistance
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,259,430.36
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver and Victoria.

THE
ROYAL TRUST Co
EXECUTORS
AND
TRUSTEES

The Canadian Bank of Commerce

The President Comments upon Canada's Vast and Varied Resources—a Combination of Ability, Enterprise and Capital Needed.

Statement Presented at the Annual Meeting of Shareholders Reflects Business Conditions.

At the Annual Meeting of the Bank held at the Head Office in the City of Toronto on Tuesday, January 13th, the report of the operations of the Bank for the year ending November 30th, which appeared in a recent issue of this paper, was submitted by the directors to the shareholders.

The President and General Manager, Sir John Aird, in his address, said in part:

The year through which we have just passed has been characterized by the Canadian correspondent of one of the leading British financial journals as a period of greater trial to bankers than any year since Confederation. While there is basis for this statement in the trying conditions which have been brought about by many years of agricultural depression and the consequent readjustment imposed upon general business, coupled with the grave unsettlement which has prevailed in international affairs, we shall nevertheless find, upon a fair review of the present situation, much cause for encouragement and for renewed hope and confidence in the future.

International Co-operation

In Europe the year 1924 will stand out in history as giving the first evidence since the war of a return to a spirit of sanity and of mutual helpfulness among the nations. The movement for international co-operation in laying the foundations of recovery from the effects of the late war has gained great momentum, though oftentimes threatened by much opposition. The results of the elections in both Great Britain and the United States show a strong desire for stability of government, and we may hope, some awakening from the illusions of the past. At all events it is probable that for some time to come the lessons of experience will triumph over the desire for mere experimental changes.

In this connection it may not be amiss to call attention to the extraordinary number of elections which have been held during the past year. If we take first the countries in which this Bank does business, there have been two in Great Britain and one each in the United States, Mexico, Brazil and Cuba. In addition, Germany has held two, and France, Italy and South Africa one each. An election is always disturbing to business, but we have the consolation that any ill effects are now a matter of past history, and that the results, at least in the majority of cases, augur well for future stability.

Interdependence

The upward movement in the prices of agricultural products that featured the past year is proving an apt illustration of the interdependence of the whole world. The very change that brought renewed life and hope to the farmer in this country has had the opposite effect of increasing the burdens of the consuming countries of Europe. The result is seen already in increased demand from abroad for the cheaper grains. The prices of wheat and rye having risen, the less desirable grains, barley and oats, are being sought for more freely. France is regulating the price of bread and selling it below cost for political reasons. Recent months have shown a heavy decrease in exports of wheat from Canada as compared with the same period last year. The foreign demand for United States meat products is also falling off, though this may be largely due to the fact that European countries are now more nearly self-sustaining in this respect. A recent English review of the outlook for food prices claims that the Australian harvest, if it fulfils its promise, should serve to check the advance in the price of cereals, and that in the case of several other foodstuffs the rise has been too rapid to persist long. The English grain harvest was a poor one owing to wet weather.

External Trade

Until after the commencement of the current fiscal year in April last there had been a steady growth in the external trade of Canada from the time of the severe decline in the latter part of 1921. This is true of both exports and imports, but the former have grown more rapidly than the latter, and the balance of trade bids fair to continue and even to increase its favorable showing. The figures are as follows:

Fiscal Year	Imports	Exports	Excess Exports
1921-2	$747,804,332	$ 753,927,009	$ 6,122,677
1922-3	802,579,244	945,295,837	142,716,593
1923-4	893,366,867	1,058,553,297	165,186,430
6 months ending Sept., 1924	397,159,452	488,655,381	91,495,929

The import figures for the six months ending September, or the first half of the current fiscal year, compared with the same period the year before, show an actual decrease in imports from 464 millions of dollars to 397 millions, but as exports have grown from 461 millions to 488 millions, an excess of 3 millions of dollars in *imports* has been turned into an excess of 91 millions in *exports*. This change in the trade balance is important and gratifying, and is bound to have a favourable effect upon our general economic condition.

Growth in Exports

The figures of Canada's trade with her two largest customers are interesting. The growth in each case has been steady during the three fiscal years above referred to, but there are some indications of a better state of balance being reached. In the case of the trade with the United States, as is well known, there is invariably a large excess of imports, while that with Great Britain is equally well marked by an excess of exports. Since the fiscal year 1921-2, however, Canada's exports to the United States have grown more rapidly than her imports from that country, so that the balance of trade against her has been cut down to some extent. On the other hand, during the fiscal year 1923-4 imports from Great Britain increased while exports did not quite hold their own, but this process has been reversed during the six months ending September last, when imports from Great Britain fell off, although exports to her show quite a large increase.

If we turn to the details of the trade for the fiscal year 1923-4 and for the six months ending September last, we are struck by the prevalence of increases in all classes of exports during the fiscal year, and by the extent to which during the next six months these increases, except in the case of agricultural products, were turned into decreases. In the case of imports, increases were very general during the fiscal year, but since it ended decreases have been the almost invariable rule. It is clear that the promise of the summer and autumn of 1923 has not been fulfilled.

The Farmer's Position

Notwithstanding this undoubted quietness in general trade, there is much that is satisfactory in the situation. Perhaps the most important factor, which is bound sooner or later to produce an improvement in general business, is the adjustment in the farmer's position. Not only is last year's harvest bringing a far better price, but his costs of production were lower, so that the crop is estimated to be worth more to him than the immense one of the previous year, and undoubtedly the prices of things he has to sell bear a much better relation to the prices of those he has to buy than was the case a year ago.

Our Mineral Wealth

Agriculture, however, is only one of the sources of Canada's prosperity. Her mineral and forest wealth are second to none, and we have only to name her resources in water power, fisheries and furs to kindle the imagination of the least sanguine among us.

It has been predicted that Canada is likely to become the leading producer of minerals in the world. Already she ranks third in the production of gold, and she is the only country in which the production of that metal is steadily increasing. According to a bulletin issued recently by the Department of the Interior, Canada contains 16 per cent. of the world's known coal reserves, and has greater asbestos, nickel and cobalt deposits than any other country. Seventeen of her leading mineral products had in 1923 a production value of over one million dollars each. While the value of her mineral production necessarily varies much from year to year through changes in price as well as in volume, it is computed for 1923 at 214 millions of dollars, and estimated for 1924 at 202 million dollars. During 1923 new records were made for the output of coal, lead, zinc and asbestos, and for the value of cobalt production. In 1924 there were 1,525,000 fine ounces of gold produced, valued at over 31 million dollars. It may not be generally known that Ontario is the greatest mineral producing province in Canada. Her gold production last year was the greatest in her history and is estimated at 23 millions of dollars. In the Hollinger mine Ontario possesses the third greatest producer of gold in the world. British Columbia also achieved in 1924 new records for that province in the output of lead, zinc, silver and copper.

Vast Resources

And Canada has other resources still, of the greatest value. From her vast area of forests she is already providing the means of paying for her large purchases of iron and steel and coal from the United States. The production from her forests is second in value only to that from her farms, and is estimated at over 379 millions of dollars gross for 1923. The combination of her waterpowers with her timber has facilitated the realization of this vast sum, and makes it possible for her to reduce the overhead charges of manufacturing to a point which should enable her to compete with any other country in the world. The developments at Niagara Falls and in the Province of Quebec, and the possibilities of the St. Lawrence River, place the waterpowers of this country in a class by themselves, and the fact that water power is especially abundant in those provinces which lack coal has an importance for the industrial life of this country which cannot be over-emphasized.

Her fisheries are also exceptional in their fertility and their area, and provide an annual contribution of over 50 millions of dollars gross to the value of the national food supply. They are found on both Atlantic and Pacific Coasts, as well as in her vast expanse of inland waters. In the value of the production of the fisheries the Province of British Columbia ranks first, followed by Nova Scotia and New Brunswick, in the order named.

From the earliest days of her history Canada has been renowned for the wealth of her furs. Every Province in the Dominion contributes to the total of 16 million dollars derived annually from this source, but the unsettled lands of the far North are particularly rich in fur-bearing animals. It is perhaps not generally realized that this Province of Ontario ranks first in order in the value of raw furs produced, followed by Quebec, Saskatchewan, and the Northwest Territories.

An Unbalanced Condition

I referred a moment ago to the abundance of money in the hands of the banks, and the lack of demand for it, not only in this country but in the United States and Great Britain. It is questionable whether this represents an actual abundance of capital. No business man wants to borrow unless he sees an opportunity of using the borrowed capital so as to give him some return for his pains after he has paid for the use of it, and no lender will lend for a venture foredoomed to failure. Yet this is often the situation which obtains to-day. Undoubtedly a larger capital investment is required to carry on a given volume of business than before the war, because of the higher level of prices. It is also probable that in many businesses an unbalanced condition exists to-day which could be corrected by the use of additional capital for extensions of plant that would facilitate the marketing of the product by spreading the overhead expenses over a greater volume of goods, and thus reducing the cost. In other cases old plants should probably be scrapped in order to introduce improved and cheaper methods of production. The net results of the years of war and of those which have succeeded it has not favoured the provision of this capital out of the profits of the business itself, from which source the necessary funds are normally derived, and as the need is for investment capital and not for short-time money, it is not one which may properly be met by a sound system of commercial banking.

Unemployed Money

Under these conditions the full operation of existing plant is difficult or impossible, and the funds that would otherwise be utilized to finance current operations are lying idle. Money thus tends to accumulate in the banks of this and other countries, but that this condition must be distinguished from a world-wide surplus of capital is shown by the high interest rates prevailing in many foreign countries, such for example as Poland, Germany and Austria. The danger is that this unemployed money may be diverted by the owners into more or less fixed investments, and may not be available for use in financing the operations of production when the present situation has righted itself. This danger has been clearly pointed out by financial authorities in the United States, and is increased in that country by the policy followed by the Federal Reserve Banks in order to earn their expenses under existing conditions.

Taxation and Production

There is little reasonable doubt that efficient production within the sphere of any individual business is the most effective contribution that it can make towards the cure of unemployment, but efficient production as a whole includes more than the mere organization and processes of individual industries. It embraces the numerous services, such as transportation and finance, which go to make up the modern mercantile world. Not the least important of these services is the provision of the necessary capital to provide improved technical equipment, or to keep existing equipment in balance, to which reference has just been made. If this is prevented by unwise taxation, or by any other cause, the motive power of industry is weakened. And only as production becomes increasedly efficient in the manner thus pointed out, can a higher standard of living be permanently possible.

Effects of Taxation

In referring to the burden laid on industry by taxation I do not wish to be regarded as overlooking the fact that the heavy load of national debt incurred as a result of the war, and the increased cost of services of all kinds, render it necessary for governments to raise much larger sums by way of taxation than before the war. But I am convinced that all needful requirements could be met and the burden on industry immensely lightened, if more consideration were given to the manner and effects of taxation. Our taxing systems require consideration from the point of view of the cost of collecting, including in this not only the cost of administration paid by the government raising the revenue, but the cost of the accounting and labour involved on the part of the taxpayer. Undoubtedly we shall suffer by the handicap of the higher level of income tax in this country as compared with the United States since the reductions recently made in that country. We learn on good authority that the United States Government has reduced its expenditures from $6,482,000,000 for the fiscal year ending June, 1920, to $3,506,000,000 for the year ending June, 1924, and yet it has decreased its debt from $250.36 per capita, the peak reached in August, 1919, to $188.59 per capita as on 30th June last.

Burdens of Taxation

In this connection we must remember that the United States was engaged in the war for a year and a half only, and that in consequence her war expenditure was, in proportion to her resources, much lower than that of Canada, which was an active participant in the war from the beginning. The subject of taxation is a very wide one and can be considered from many angles, but it is patent that there is a pressing necessity for a simplification of taxation that will prevent overlapping, and will cut down the volume of clerical work necessitated, not by business, but by the requirements of present tax-collecting methods. At the recent Canadian Tax Conference a situation was disclosed in which one industry with branches throughout the Dominion had to comply with the intricacies of 33 different tax enactments, all continually in a state of change, and another found that it had filed 62 different official returns for taxing purposes within a year. I am referring to all taxation, Dominion, provincial and municipal. These matters are of vital importance to business in this country, for they affect our capacity to compete in the markets of the world, especially in these days of slim margins of profit.

Bank Taxes

I make no apology for specially referring to this state of affairs, for it is one that has also a very considerable bearing on the business of the banks, which have been hard hit of recent years in a similar manner. Nor is this all. We have a record of one provincial tax on banks, which in the last five years has been increased by 191 per cent. and which is overlapped in the same province by a corresponding municipal tax. According to a Toronto financial paper, the taxbill of the Canadian banks in 1922 was over $6,500,000.

Excessive Legislation

One of the great hindrances to progress in the world to-day is the tendency to increased government regulation or control. Even in its most modified form this leads to the enactment of an excessive amount of legislation. As a general rule every statute involves the appointment of officials for its administration or enforcement, and thus there is rolled up a great snowball of officialdom which has little time or energy left for the performance of the primary functions of government. Thus we have witnessed an enormous extension of governmental activities at a period when the real interests of the world demand a searching enquiry whether even the old activities might not be diminished with advantage to the body politic.

Readjustment in Foreign Exchange

The past year has witnessed considerable progress in the readjustment of the foreign exchanges. Sweden definitely resumed gold payments in April last, the Dutch guilder and Swiss franc have reached par and the new German mark is quoted on a gold basis. Sterling, which started the year at 4.29 in terms of United States dollars, or in what amounts to the same thing at present, in terms of gold, stayed around this level with merely minor fluctuations until July last. Since then it has had a very substantial rise, more than regaining the ground lost in the latter part of 1923. It is now again within measurable distance of its parity in dollars, and the resumption of gold payments by Great Britain in the near future has formed the subject of considerable discussion during the year, and is becoming one of immediate interest. The question as to whether it would be feasible and advisable for Canada to resume gold payments and to permit the exportation of the yellow metal has also received considerable attention during the past year. At the time of writing when Canadian funds are quoted in New York at par or at a slight premium, the position of Canada is practically the same as if she had actually resumed gold payments. If the government should decide to permit the shipment of gold out of the country, it would not under such conditions have the effect of drawing any gold away from her.

Return to Gold Standard

The question, therefore, is not whether Canada could at the present time resume gold payments without disturbance to her monetary position, but whether she could continue indefinitely on such a basis. As long as her international balance of trade remains as favourable as it has been during the past year and she continues to have at least average crops, there is little doubt that Canada could safely revert to gold payments, but if unforeseen circumstances should cause a heavy drain on her gold reserves, it is conceivable that the Government might again have to forbid gold exports, and the result of this would be far more harmful than continuing on the present basis. Gold naturally seeks the market where it is most highly valued, or in other words, it tends to flow to those countries that are willing to pay it out again, and away from those that refuse to do so. So many factors enter into the situation that it is very difficult to estimate them all accurately, let alone forecast the future, and we think that it behooves us to move with caution in a matter of such importance.

The task of assimilating the business of the Bank of Hamilton was in progress when we last met, and has been completed, we believe, with a minimum of disturbance to the various interests involved. The question of overlapping branches has been given careful consideration during the year, and the task of consolidating these and of closing those branches of either bank, the prospects of which had been affected by the dullness of general business, has been pursued assiduously. In some cases, as indicated in the report of the directors, we have been able to effect an exchange of business with another bank on terms which seemed advantageous to both.

The Balance Sheet

The balance sheet submitted to you to-day is the first to include the business taken over from the Bank of Hamilton. This makes it difficult to draw comparisons with the statement of a year ago. The figures undoubtedly reflect the quietness of general business and the difficulties through which we have been passing. We have thought it well to provide against any weaknesses that may yet develop as a result of the present situation. Until a year ago the premium on United States exchange practically offset the depreciation in the currencies of Great Britain, Brazil and other countries in which we are carrying on business, as compared with the figures at which these items are carried on our books. There has been a great appreciation in sterling during the year, as already pointed out, and this has continued even since our balance sheet was made up. A certain part of this sum has therefore already come back to us, and the outlook is undoubtedly for further improvement. In Brazil, likewise, the hope is that the milreis will rise in value, rather than suffer further depreciation. In the meantime the provision we have made for this purpose enables us to comply fully with the requirements of the present Bank Act. We have also on our hands, as a result of conditions in western Canada and of closing over-lapping branches of the Bank of Hamilton, and certain others which had not fulfilled their early promise, a number of parcels of real estate, and several buildings, some of them specially erected for the occupation of a bank, which can no longer be classed as bank premises. At present, as you will realize, these are not readily saleable except at a considerable reduction from their normal value. We have, therefore, aimed to make provision for this situation, and it takes the place, this year, of an appropriation for writing down the value of our bank premises.

A Strong Liquid Position

Although our holdings of actual cash, that is, of legal tenders and specie, are not very much higher than a year ago, we have sought to maintain a strong liquid position, so that any revival of business, when it does come, will find us prepared to do our part. The scanty demand for loans for commercial purposes has made this course comparatively easy, and quick assets stand in the balance sheet at over 51 per cent. of liabilities to the public. Our holdings of securities have, naturally under the circumstances, increased considerably, and the increase is almost entirely in bonds of the Dominion and Provincial Governments and of first-class Canadian municipalities. Our deposits stand at abnormally high figures, owing partly to the marketing of the western crops, and partly to certain corporation moneys which are only temporarily in our keeping. We feel proud of the extent to which we are still able to maintain our relative position in the financing of Canadian industry, and we look forward to our reward when business picks up again. Our total assets have for the first time crossed the five hundred million mark, and the responsibility for the safe use and investment of this great sum is one which we fully appreciate.

Hopeful of Improvement

As we look around, at the threshold of another year, the prospect is not clearly discernible; yet we cannot but have faith in this great country, and in various quarters we can see tokens of a change for the better. Commercial failures have decreased, there is a slight re-awakening of immigration, and the outlook for the lumber business seems to have distinctly improved. A good crop has been harvested for which high prices prevail, and the maladjustment of the farmers' position has thus been largely corrected. Surely we may look for a gradual, if slow, improvement, and confidently hope that its coming is not to be much longer deferred.

Re-election of Directors

After the reading of the President's address the Report of the Directors was adopted by a unanimous vote of the shareholders. A resolution expressing the deep regret of the shareholders at the death of the late Sir Edmund Walker and the usual votes of thinks were then passed, and the meeting adjourned. The old Board of Directors was re-elected and they subsequently met and re-elected Sir John Aird as President, the Right Hon. Sir Thomas White as Vice-President, and Sir Joseph Flavelle, Bart., as Chairman of the Board.

STAGNATION FOR CANADA IF WE ARE TO EXPORT OUR POWER

(Continued from page 1)

Hydro Electric Power Commission of Ontario to supply the amount of power contracted for—a single member having lost in ten weeks 36,000 hours work.

"And whereas, such loss involves a most serious decrease in production at a time when the greatest possible production is imperatively needed.

"And whereas, even if the special difficulties encountered in the past few months were overcome before another winter, there would still, unless adequate steps are taken, be a serious shortage, owing to the fact that many of the industries at present served will require an increased supply and many other industries will be certain to need Hydro power.

"Therefore be it resolved by this Ontario Division of the Canadian Manufacturers' Association, in annual meeting assembled:

"(1) That the above consideration be brought to the attention of the Hydro Power Commission and that the Commission be asked to leave no stone unturned to meet the pressing need which so many industries feel of larger and surer supply of power.

"(2) That before new radial railway enterprises calling for the use of large quantities of power be entered upon, all existing contracts for power be fulfilled.

"(3) And that the Power Committee of the Ontario Division be authorized and empowered to appeal to the Royal Commission to investigate and report on the production, distribution and adequate supply of power in all parts of Ontario, so that the industries of the Province may not be further impeded."

Power Load Doubles in Seven Years

Here is a typical instance of what is bound to occur. It may not occur the year after the power is exported, or in two years, or in five years after, but anyone familiar with the fact that the power load increases at least 100 per cent. every seven years can realize that it will only be a few years before a condition is bound to arise when we will need all the power we can develop in Canada for Canadian uses. We will then want to withdraw any power we have sold. We will then not be able to withdraw it.

There is only one condition that makes withdrawal of power possible: and that condition is war. Once having sold your power to the United States, you establish at the point of delivery of the power strong vested interests. The more power you sell, the more important and the more powerful those vested interests become. Not only the industries which operate by the use of the power, but the artizans who work in the industries, and the communities that are built up to house and care for these workmen, all have a say in the withdrawal of that power.

To withhold it is to destroy at one blow this fabric, which may very well represent billions of investment. To withdraw it is to disrupt the economic life of thousands of people. Having sold the power and delivered it, and created this industrial and social structure, you cannot withdraw it without the most serious international complications.

The Chicago Example

If anyone believes it can be withdrawn, under conditions short of actual conflict, he has only to consider the less drastic situation in the city of Chicago. As a result of the controversy that arose out of that situation, a situation where we were not contractually bound, where Canadians were not morally obligated, where the officials of the city of Chicago illegally seized upon waters belonging to Canadian interests under agreement and treaty, the supreme court of the United States has just handed down a decision to the effect that the city of Chicago has no legal right to the use of 10,000 cubic feet of water per minute from the Great Lakes which they have been taking. The court has ordered the city of Chicago to stop using this amount of water within sixty days, and to cut that usage down to the legal quantity of less than half of that amount. Canadian interests who have been fighting the deliberate steal of this water by Chicago have hailed the decision of the United States Supreme Court as a great victory. Probably some are fatuous enough to believe that the city of Chicago will forthwith stop its illegal use of the waters which Canada owns. Engineers and lawyers familiar with the situation feel that possibly some time in the next twenty years Chicago may stop using these waters, but they certainly won't stop the use within sixty days.

There is a striking parallel between the use of water to which they have no right by the vested interests of Chicago, and the use of power which we no longer want to sell them, by the vested interests of the people to whom we propose to export our power.

Why Aren't We Courageous?

There must be something in the Canadian air which prevents us from profiting by continued examples which should clearly point out the proper course of action. We embargoed wood from crown lands, and the result was the establishment of many millions of industry in Canada, giving employment to thousands of men, and using in Canada much of the power which we developed here. We offered to industry a moderate amount of protection, necessary because of the smaller market and great cost of distribution in a country so large as Canada with a population of only 9,000,000 people, and we succeeded in bringing into Canada industries which to-day represent an investment of $3,000,000,000, give employment to hundreds of thousands of men, and use in Canada the power we develop in Canada.

If we keep in Canada the power we develop here, instead of sending it to the United States, industries requiring that power will have to come to Canada and become Canadian enterprises by their very need of our power, and by the act of crossing the line into the Dominion.

The Two Pictures

We have the choice of two pictures. The first is a power house in the midst of a sparsely setted back river country section in Canada, employing a half-dozen men. The revolving wheels of that power house are sending pulsations of electrical energy over miles of wire. This wire threads its lonely path to the American border, and over the line enters some bustling, prosperous, active, happy community in the United States, providing that community with energy for all of its multifarious activities.

The other picture is a picture which we can show anybody at Shawinigan Falls, at St. Catharines, at Sherbrooke, at Hamilton, or any of the prosperous power centres in Quebec, or Ontario, Manitoba and other provinces. It is a picture of that same power house, the focus of and part of a bustling, prosperous, active, happy community in Canada. Its energy serves the prosperous town it is generated in, traverses the country districts to other prosperous Canadian towns experiencing healthy industrial growth because of that power.

And we have held fast to our birthright. We have had vision and energy enough to manufacture our raw products. We have avoided the inevitable entanglement that must come from power export. We have had wisdom enough to refuse the mess of pottage for our most valuagle asset—Power. Which picture shall we chose?

FIFTY-SIXTH ANNUAL MEETING OF THE ROYAL BANK OF CANADA

Sir Herbert S. Holt, President, Insists That Country Must Now Deal With Serious Problem of Over-Taxation—Suggests Establishment of Central Budget Bureau and Committee of Experts to Investigate Railway Situation — Believes Canada Should Return to Gold Standard at Once.

C. E. Neill, General Manager, Reviews Growth and in Commenting on Increase of $40,000,000 in Deposits Points Out That in 1924 Bank Opened More New Accounts Than in Any Other Year of Its History—Expansion in International Business—Warm Tribute to Staff.

The Fifty-Sixth Annual General Meeting of the shareholders was held at the Head Office of the Bank in Montreal, Sir Herbert S. Holt in the chair.

THE PRESIDENT'S ADDRESS

Sir Herbert S. Holt, Chairman, in moving the adoption of the Directors' Report, said:—

At our last three Annual Meetings, while expressing faith in the ultimate future of Canada, I have had on each occasion to chronicle a year of slow business. Nineteen hundred and twenty-four was another such year. Consumers in general found it necessary to purchase economically, competition from abroad was keen, and, as a result, the great majority of our factories were operated substantially below capacity throughout the twelve months. There are, however, certain favorable factors in the situation which were not present a year ago. Wheat prices are high, our largest customer, the United States, is apparently entering on a period of prosperity, and conditions in Europe are better. This combination of circumstances will, I think, give Canada an opportunity to pull herself out of the rut of business depression. I must say, however, that I believe the opportunity will be lost if our pressing problems are not handled more intelligently than they have been in the past.

TAXATION

Foremost among these problems is taxation. I am not going to pass this subject over to-day with a few conventional remarks on the necessity of reducing our tax burden, because the situation, to my mind, is very serious indeed. We have in Canada a framework of railroads and cities and municipalities, a country-wide organization which must be supported by more people and greater activity in industry if failure is to be avoided. Our policy should be to encourage development and to make Canada an attractive place to live and do business in, yet, in fact, we are allowing ourselves year by year to sink into a less and less favorable position, as compared with other countries, notably our neighbors to the south. While Great Britain and the United States are steadily reducing taxation, Canada makes no progress, continues to spend too much money and struggles along under a burden of Federal, provincial and municipal taxes of all kinds. I am aware that the receipts of the Federal Government are now barely sufficient to cover current expenditures, but that does not mean that nothing can be done. The Geddes Committee in Great Britain instituted drastic economies, while the Budget System installed in the United States by General Dawes has literally cut Federal expenditures in half in the course of three years and reduced their debt by over $5,000,000,000, and this in a country where the necessity for economy is far less pressing than it is in Canada. I recommend the establishment in this country of a Central Budget Bureau, similar to that in operation in the United States, directed by an efficient and non-partisan officer who would understand that, so long as many of our citizens and companies are struggling to make both ends meet, public funds must be spent on bare necessities alone. I must repeat that we are drifting into a very serious situation and that, unless economy soon becomes a fact rather than a vague promise, the damage to the country will be almost irreparable.

The effect of the Sales Tax on the cost of living of the people is such that a reduction in the rate is very desirable. The bad effects of high income taxes must also be given proper consideration. I would like to quote some of the remarks of President Coolidge on the subject of high surtax rates on incomes. He said: "I agree perfectly with those who wish to relieve the small taxpayer by getting the largest possible contribution from the people with large incomes. But if the rates on large incomes are so high that they disappear, the small taxpayer will be left to bear the entire burden. If, on the other hand, the rates are placed where they will produce the most revenue from large incomes, then the small taxpayer will be relieved."

Let me emphasize here that it is not the wealthy who are the greatest sufferers from high surtaxes, but the rank and file of the people, who find it difficult to secure employment when industry is stagnating, and those who should be investing their money in new enterprises find no incentive to do so. Such a situation can only end in capital leaving Canada to find employment in the United States and elsewhere. In my opinion, not only should the taxes referred to be reduced, but a way should be found by all public authorities to lower the taxes of all kinds which are handicapping business. We cannot afford to delay action in this matter.

TARIFF STABILITY

I regard the tariff question as one of great national importance. Over a long period of years, a great manufacturing industry has been built up in Canada. Our home market is not large and our standard of living is high. Canadian factories cannot, in most cases, compete with the cheap labor products of Europe or the mass-produced articles of the United States unless they are granted a reasonable measure of protection. What is more, they cannot operate satisfactorily or with confidence under the menace of tariff reductions. Increased protection is, in many cases, unnecessary. Stability is the thing to be desired. Great numbers of men and women have been encouraged to enter our factories, and on the prosperity of the factories they now depend for a livelihood. We have a responsibility to these Canadians which must not lightly be overlooked. Moreover, it must be remembered that unless this country enjoys a balanced prosperity the Government will find itself in very serious straits for revenue with which to defray interest charges and other essential expenditures.

IMMIGRATION

The number of our workers who have had to leave Canada for the United States indicates clearly that we have no room at the present time for immigrants of the industrial class. The first people to enter Canada in any number must be farmers, and these will only be attracted if the prices of agricultural products are sufficiently high to permit of farming being carried on at a profit. World over-production of wheat for some time held the price of that commodity too low. While current prices are the result of a world shortage, and are too high to be permanent, I hope that farming in Canada from now on may give reasonable returns. If this is the case, a proper immigration policy will be well rewarded. That policy should be one of close co-operation with the British Government. We must secure the right type of farm settlers and assist and advise them after their arrival in this country, in order that the number who fail to achieve success in their new environment may be reduced to a minimum. These new citizens would increase the demand for manufactured goods. Thus, if we handle our affairs intelligently, our factories will again be able to operate satisfactorily, the exodus of Canadians to the United States will be stopped and eventually the country will be able to absorb newcomers of the industrial class. A general revival of business in Canada is almost entirely dependent upon development along these lines.

COMMODITY PRICES

In the business world, a spirit of uncertainty and its accompaniment, hand-to-mouth buying, has been in evidence during the last twelve months. In the United States, and, probably in Canada as well, this was encouraged to a certain extent by doubts in regard to the price situation. In many quarters the belief is held that, barring minor fluctuations, the trend of prices is bound to be toward the pre-war level. I see no reason to believe that this will be the case. Stability in prices is what is required at the present time, and comparative stability in gold prices has actually been achieved during the last three years, thanks to the wise manner in which the United States has handled a difficult situation, brought about by the accumulation in that country of an exceedingly large supply of gold. The general price level has recently shown a tendency to rise, but as even now it is barely above the level of a year and a half ago, the rise can hardly be construed as harmful, especially since it helped to restore much-needed confidence in the business situation, after a period of doubt and restricted buying. Moreover, price inequalities between the various groups of commodities have, in many cases, disappeared, a very satisfactory feature.

CONSERVATION OF NATURAL RESOURCES

During the twelve months ending October last, we exported to the United States 1,318,735 cords of pulpwood, valued at over thirteen and one-half million dollars. Our forest resources are large, but they are by no means inexhaustible, and we must not forget that they are steadily being reduced by very large exports of lumber and pulp and paper. To-day, when this country urgently requires every dollar of earning power it can possibly secure, I think we are foolish to export large amounts of pulpwood in its raw state. Our policy should be changed. While an embargo on exports is perhaps too drastic a measure to advocate, I believe an Export Tax on pulpwood would be beneficial, as an adequate tax would result in the further development of the paper-making industry in Canada and the provision of more work for our people. To avoid too sudden a disturbance in business, the full amount of the tax need not be applied in the first year of its operation, thus giving an opportunity for all concerned to adjust themselves to the new situation and to create a market in Canada for the pulpwood which has heretofore been sold abroad. In addition to making better use of our forest resources, we should endeavor to check depletion by the best methods of fire protection and reforestation which can be discovered.

RAILWAYS

Our railway problem cannot be completely solved by efficiency in operation, because the long and short of the matter is that our railway mileage is far too great. Where one line is required, we operate two. Where two lines are required, we operate four. The net loss to the country is very great. I believe that a commission of experts should be appointed to investigate and make a report on the whole railway situation, with the object of lightening the stupendous burden under which we are now laboring. If we can only bring ourselves to handle this matter in a business-like way, I am convinced that an improvement can be effected, and this would mean a saving of money for every individual in the country.

OUR BANKING SYSTEM

Amalgamations during the year have further reduced the number of banks in operation in Canada. It should perhaps be more generally recognized that the events of 1920 and subsequent years are not by any means the sole cause of such mergers. Because of the large number of branches in operation, and the high taxation to which banks are subjected, banking in Canada is not to-day a very profitable business, while the responsibility involved is onerous in the extreme. It is not surprising, therefore, that opportunities to reduce overhead costs through amalgamation are taken advantage of, and this situation will not change until taxation is reduced or until the population of the country becomes large enough to ensure the profitable operation of a number of branches, which, at the present time, do not earn enough to pay their way.

As an indication of the increase in taxation since 1914, I may say that our payments to the Dominion, Provincial and Municipal Governments in that year totalled approximately $120,000, while in 1924 they were $805,278. These figures refer only to Dominion, Provincial and Municipal Income and Business Taxes, and do not include any amounts paid on lands and buildings. While our capital increased 75 per cent. in this period, our tax payments increased 571 per cent.

I should, perhaps, supplement my remarks in regard to the number of branches in operation, and the difficulty of maintaining many of them on a profitable basis, by saying that the banks in general are avoiding unwise competition in the opening of branches and making efforts to weed out those offices which cannot be expected to become self-supporting within a reasonable time. Our experience has been, however, that an announcement of our intention to withdraw often results in the citizens at the point concerned making strong requests for delay. No bank which values its reputation for serving the public can neglect to give such requests the most careful consideration. As a result, the reduction of branches has not been as drastic as would have been the case if we were operating with an eye to profits alone.

The position of the banks in the country is a peculiarly responsible one. It is their duty to protect the funds entrusted to their care by extending credit only where and to the extent that conservative banking practice warrants; at the same time, they are expected to encourage agriculture and industry. They must, in short, steer their course between, on the one hand, a too-generous policy, and, on the other hand, an excessively conservative one. This is no easy task, and, to be successful in it, the banks must have the confidence and co-operation of the public.

I cannot close my remarks on the subject of Canada without a reference to the very real loss which we experienced last year through the deaths of Sir Edmund Walker and Sir Edmund Osler, two outstanding figures in the group of Canadians who contributed so notably to the development of this country during its period of greatest progress. These men were patriotic in the full sense of the word, and distinguished by rare qualities of vision and courage. They will be difficult, indeed, to replace.

DEVELOPMENTS OUTSIDE OF CANADA

The General Manager, in his remarks, will deal with conditions during the last year in other countries where our branches are established. I would like, however, to refer to rather notable political developments which have taken place in 1924.

The year was marked by unmistakable public demonstrations in Europe and elsewhere in favor of conservatism. More and more it is felt that the present is no time for legislative experiments or international quarrels, and that everything possible must be done to open the way for a resumption of business along the safe and profitable lines of pre-war days. The situation obviously calls for governmental economy in all departments and for measures leading to the stabilization of the exchanges, whose wide fluctuations have hampered international trade so greatly during the last six years.

THE GOLD STANDARD

The question of a return to the Gold Standard may well be prominent in 1925. Sweden is already on a gold basis, and sterling and many other currencies are within a small percentage of par. If England were to take the lead in resuming gold payments, I feel sure that not only would many countries of the British Empire and Europe take similar action, but that various South American countries would shortly follow suit, and, within a reasonable period, we would see the exchange risk removed from the greater part of international trade. The good effects would instantly be seen. So far as Canada is concerned, there is no reason why such action cannot be taken immediately. We have much to gain, since, by our own action, we can remove the exchange risk from over 50 per cent. of our foreign business, this figure representing the proportion that Canadian trade with the United States bears to total Canadian foreign trade. The discount at which gold currency could recently be secured is clear evidence to my mind that no inflation exists in Canada. I have heard it said that, although we may be in a position to resume gold payments to-day, when business is slack and imports are relatively small, we would encounter difficulties when business improves and imports increase. I must say that this theory cannot stand the test of even a casual examination. Increased prosperity would result in larger imports, but if increased prosperity means anything, it means increased wealth and ability to pay, and such a condition must tend to attract rather than to repel gold.

As our currency is now practically on a parity with gold, a high percentage of reserve is not required in order to maintain gold payments. There is no way in which the Government gold reserve can be drawn upon without a corresponding reduction in outstanding notes. Of the $240,298,000 Dominion Notes outstanding on October 31st, $211,756,000 were held by the banks, either as cash reserves or in the Central Gold Reserve. The average held by the banks during the last twelve months under these headings was $197,922,000. It is obvious that our banks cannot prudently conduct their operations with Government note holdings substantially less than this average. Under the most adverse circumstances which can be imagined the Government notes issue could not be reduced by $123,000,000, which was the amount of gold reserve at October 31st, and any fear that we could not maintain gold payments is groundless.

CONCLUSION

I have never been more optimistic in regard to the possibilities of this country than I am to-day. We have been held back by agricultural depression since 1920, but this should disappear as normal conditions are restored throughout the world. I have firm faith in the future of the Empire of which we are a part, and hope to see good results obtained as its varied resources are properly developed. Moreover, a factor conducive to Canadian prosperity is our close proximity to a country of 113 million people, increasing in number at the rate of perhaps two million per annum. I feel sure that great prosperity is ahead of the United States in the next ten years, and that we shall find in that country a market not only for larger amounts of lumber and paper, but for increasing quantities of foodstuffs as well. Good as our prospects are, it must not be forgotten that we are faced with the necessity of finding a solution for some very urgent problems, and that the improvement which we are justified in expecting can be retarded by the mishandling of our affairs, by failure to reduce taxation, by neglect of immigration, or by the development of a spirit of sectionalism, with its resultant instability, damaging the reputation of Canada in the countries to whom we look for new citizens and fresh capital. If we avoid these pitfalls, I believe there will be little cause for complaint in regard to the situation of Canada in the course of a few years' time.

GENERAL MANAGER'S ADDRESS

The General Manager, Mr. C. E. Neill, then referred to the Annual Statement as follows;—

The President has spoken of the financial situation in this country and abroad, and of matters of general interest. From me you will expect to hear something regarding the business of the bank, the progress we are making and the outlook for the future.

The 55th Annual Financial Statement, which is presented to you to-day, should be regarded as highly satisfactory. In the statement there are several marked changes, as compared with the figures of last year, particulars of which I shall explain to you. These outstanding changes are:—

1.	Increase in deposits	$40,494,504.42
2.	Decrease in commercial loans in Canada	9,239,430.36
3.	Increase in investments in Governmental bonds	33,991,325.68

The growth in our deposits, particularly in the Savings Department, both in Canada and abroad, is especially gratifying. I think I am safe in saying that we have opened more new accounts during the past year than in any other year of our history, which reflects the confidence of the public in the soundness of the bank. As I have pointed out on previous occasions, it is satisfactory to note that this very substantial increase does not come from any special large deposits, but rather from the normal growth and expansion of our business.

Because of the general slackening off in business, and the liquidation of agricultural loans, due to increased prices and the absence of demand for credit for new enterprises, our loans in Canada have dropped $9,239,430.36 during the year. This drop has taken place notwithstanding the fact that we have made a special effort to provide all our borrowing customers with their legitimate requirements. I can unhesitatingly say that we have given liberal support where it has been justified, and that we are doing everything that is reasonably possible to provide credit for the development of agricultural, manufacturing and other important interests in this country.

The additional funds which have been placed at our disposal through the increase in deposits and reduction in commercial loans in Canada have, as you will see by reference to the Balance Sheet, been invested largely in Government and Municipal securities, the increase in our holding of these securities being $39,991,325.68. It has been considered advisable to purchase only bonds of early maturities, as such securities are most easily realized upon, and afford the minimum risk of loss in the event of an unsatisfactory financial situation developing. You will be interested to know that our present holding of short-term Government and Municipal securities exceeds $78,500,000, and I am sure you will approve of our policy in holding such a very substantial and liquid reserve.

Cash and total liquid assets also show a more favorable position than last year, our holding of cash being 28.93 per cent. of liabilities to the public, while our liquid assets are 54.56 per cent. of liabilities to the public, as compared with 49.36 per cent.

Notwithstanding lower interest rates on loans, which have obtained in Canada, New York and London, our profits have been well maintained. We have been able to make this favorable showing through the substantial profits accruing from our international business, and because of the increase in our assets of over $45,000,000.

The usual dividends and bonus, amounting in all to 14 per cent., have been paid to shareholders, and we have made the customary appropriations for Bank Premises and Pension Fund. All bad and doubtful debts have been provided for to the satisfaction of the shareholders' auditors and of your Directors and executive officers, and $1,143,806.90 is carried forward in Profit & Loss Account.

The Balance Sheet of the Globe-Realty Corporation, the capital stock of which is entirely owned by the bank, is before you. The equity in this company, based on the appraised values of properties owned by it, has been increased by approximately $300,000 during the year through Sinking Fund appropriations. This equity, which is over $7,900,000, is carried on our books at $1.

Bank Premises Account appearing in the Balance Sheet shows a decrease of $209,451.16 for the year.

You will receive with the report of proceedings of this meeting, detailed information regarding conditions in Canada and other countries where we are represented, so I shall endeavor to summarize the situation as briefly as possible to-day.

OUTLOOK IS ENCOURAGING

As indicated by the President, 1924 was not a good business year in Canada, but the outlook for the future is encouraging, chiefly because of the rise in prices of agricultural products, notably wheat. It seems probable that the low prices of the last few years will not return, and that the farmer may expect better results than have obtained since 1921.

The demand for lumber during the past twelve months was not as good as had been expected, and the cut of wood this winter will probably be less than in 1924. Exports of lumber have been in smaller volume, but exports of newsprint paper have increased. Further extensions are under way in the newsprint paper industry, and it will be only a matter of a comparatively short time before Canada is the world's largest producer. The mining industry in Ontario and British Columbia was very active in 1924. The textile and allied industries found business slow for the first part of the year, but an improvement has recently been noted. In general, factories of all classes producing articles for sale in the domestic market have not found business any too good, although in many cases a seasonal improvement took place in the autumn. Obviously, a substantial improvement depends on a general revival in Canadian trade.

SATISFACTORY FOREIGN BUSINESS

Our foreign business during the year has been satisfactory. While fluctuations in the price of sugar made the season a difficult one for mills in Cuba, the cane growers in general secured good profits, and this was reflected in a substantial increase in deposits. Weather conditions during the present growing season having been exceptionally favorable, the Cuban crop this year is expected to be of record size. Equally favorable conditions make it probable that the European beet crop will be materially larger than in 1924. Because of this increase in world production, lower prices for sugar may obtain, but it seems reasonable to believe that the improvement in European conditions, coupled with moderate prices for sugar, will cause an increase in consumption, which will probably result in the larger output being absorbed without difficulty. In any event, Cuba has the double advantage of low cost production and a preferential entry into the United States, the largest sugar consuming market in the world.

In the British West Indies, fair prices for sugar and other tropical products were offset at certain points by low prices for cocoa. Recently the cocoa situation has improved remarkably, and I expect British West Indian business in 1925 to be moderately good.

Elsewhere in the West Indies, business has been up to expectations. The French Islands are particularly prosperous, because of the satisfactory prices at which their chief products, sugar and rum, sold in France.

Our South American branches have again had a good year. High prices for coffee brought comparative prosperity to Brazil, in spite of political troubles. Coffee is also an important product of Venezuela and she has benefited accordingly. Argentina and Uruguay have done well in sheep and wool, and the recent rise in the price of wheat should result in a further improvement in trade. These countries produce necessities which are bound to be required in increasing quantities by the outside world as time goes on, and I believe that not only is their prosperity assured, but that some of them will develop remarkably during the next twenty years. The quality of the business we accept in South America is exceptionally high, a prominent feature being the purchase of documentary bills of exchange representing export of commodities. Our experience in South America has been unusually satisfactory, and I look for even better results in future.

Our Offices in London, New York, Paris and Barcelona continue to do well. The number and location of our foreign branches make it possible to direct a substantial volume of business to these points, and in addition, a general commercial business is being developed in a conservative way by our branch in London and our Paris subsidiary.

BANK INSPECTION

In accordance with the Amendment to the Bank Act, passed at last session of Parliament, inspection of banks by an official appointed by the Government is now to be made. We supported the proposal of the Finance Minister for the form of Government inspection now inaugurated, because we felt that there was a general demand by the public for such inspection, and further, while no form of inspection can altogether prevent failures, we believe that proper Government inspection will make impossible the recurrence of the gross mismanagement which in more than one instance has recently obtained in this country. Mr. C. S. Tompkins of the staff of this bank was appointed to the new position of Inspector-General of banks some two months ago. While we have great cause for regret in the loss of Mr. Tompkins, who was one of our most promising officials, I feel sure that this new office is safe in his hands. The position is a highly responsible one, carrying with it the duty of seeing that the banks in Canada are operated in accordance with the provisions of our Bank Act, and it further offers the opportunity for constructive criticism, which cannot fail to be of value to the banks and the country.

TRIBUTE TO STAFF

It is again my privilege to draw your attention to the service rendered by the staff of the bank. It seems to me that now, perhaps more than ever before, to a very considerable extent the success of the bank depends upon our officers. Every member of the staff has a part to play in the organization, and I can assure you that the interests of the stockholders are at all times the first consideration of our loyal and competent officials.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year: Sir Herbert S. Holt, President; E. L. Pease, Vice-President; Jas. Redmond, D. K. Elliott, Hugh Paton, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dyment, C. E. Neill, C. H. Duggan, C. C. Blackadar, John T. Ross, W. H. McWilliams, Capt. Wm. Robinson, A. McTavish-Campbell, Robert Adair, William A. Black, C. B. McNaught, G. MacGregor Mitchell, Hon. R. B. Bennett, K.C.

FREIGHT RATES TANGLE IS BIG ISSUE AT OTTAWA

Not So Easy to Iron Out as Premier Has Intimated

SECTIONAL INTEREST

Those Who Have Favored Rates Want to Hold What They Have and Get Something More

That freight rates question will be dominating issue in the forthcoming parliamentary session was intimated by Premier King in his Toronto address this week. Indications at Ottawa too are that this will be a big question. But it is very doubtful if the situation can be ironed out as readily as Mr. King indicated, when he spoke of "equalization of rates between all parts of our Dominion, that no one will have occasion to feel that its interests are being prejudiced or sacrificed to serve the interests of other parts." The trouble is that different sections of the country and various interests having favored treatment in regard to special rates want to hold what they have and get something more—and this of course cannot be done without sacrificing income and increasing taxes. THE FINANCIAL POST'S Ottawa correspondent deals with some of the real difficulties of the situation.

OTTAWA.—It is expected that there will be much said about freight rates during the approaching session of parliament. Some of it will doubtless be of a demagogic character, but at the same time there will, no doubt, be an expression also of sound common sense. Of course, it will be impossible to get anywhere until after the Supreme Court announces its decision on the questions submitted to it.

Much is being said these days about the recasting of the whole freight rates structure and the equalization of rates generally. One of the interesting features of life at Ottawa is the proneness in political circles to work certain words or phrases to death. Two years ago "co-ordination" was worked to the limit, for at that time the Grand Trunk was about to be merged with the Canadian National. During the debate on the Peace Treaty, "national status" was also over-worked. Now it looks as though "rate equalization" would meet a similar fate.

The truth is that "rate equalization" is much talked of, for the politicians being in a corner over this question they naturally raise hopes that something new in the form of a rates structure and the equalization will afford the same treatment to all portions of the country. This cannot be done, and there is not much use leading the public to think so.

In the first place, the Maritime Provinces do not want equalization of rates with other portions of the country. Lower rates that will enable them to get into the markets of the central provinces are desired by them. They had them at one time, and they want them again. So rate equalization will not quite suit them.

The prairie provinces do not want equalization of rates insofar as those on grain, flour, and the other commodities mentioned in the Crow's Nest Pass agreement are concerned. These rates being much lower than those charged for similar service in other parts of the country, the proposal to equalize them does not find much favor on the prairies. On the other hand, British Columbia wants the same rates as the prairies get. When it comes down to the shippers those in one line of business say, "why should you carry my neighbor's goods west at a 30 or 40 per cent. lower rate than mine?"

Hard to Suit All

For transportation, as for other kinds of service, the charge must bear a direct proportion to the cost of operation. To this the rates will work back, no matter what may be done. This is because business can't be transacted on any other principle. Nor would any other method of doing business be fair to the shipper any more than to the carrier. For example, the farmer in Manitoba, being closer to the head of the Great Lakes, which means a shorter haul, insists that his grain be moved at a charge less than that from a Western Saskatchewan point. He would also refuse to pool his freight rate with that of the farmers on the prairies generally.

To evolve a new freight rate structure for all Canada will take some time. It took four or five years to dispose of the Western Rates case, so one can imagine the time that would be required to hear evidence and render decisions creating a new rate structure for the whole of Canada. These things are called attention to. for it is no use leading the public up a blind alley.

Better Tariff Would Help Textile Payroll

There are no climatic, physical or technical reasons why all classes of textiles cannot be manufactured in Canada, according to G. A. Dobie, Galt, president Canadian Woollen and Knit Goods Mfg. Assoc., who says much false information is being circulated by those interested in selling imported textile goods in Canada. Touching on the cut in tariff on textiles he said that in 1923 there were 1,709 textile mills in Canada representing an investment of $268,065,238, employing 80,848 people and providing a payroll of $76,224,371. The Canadian textile interests produced goods valued at $308,560,593. The raw materials purchased by the industry amounted to $153,066,593. If the bulk of the goods now imported were made in Canada the payroll would be $110,000,000. He also thought Canada should have 20,000,000 instead of 2,000,000 sheep.

BANKERS URGE ADJUSTMENT OF TAXATION LOAD

Industrial and Commercial Progress is Being Retarded by Tax Burden

That taxation in Canada has reached the point where it becomes a serious menace to the development of the country by retarding growth and frightening away foreign capital which we need for development is emphasized very specially in the annual statements of the chartered banks. In fact it is practically impossible to find a financial review on present conditions in Canada in which this is not a prominent topic. The bankers of the country are probably in a better position than is anyone else, to observe the effects of unduly heavy taxes on the industry and commerce of any country, and their almost unanimous warning in this connection is worth taking careful note of.

In dealing with this problem, various phases of the subject have been taken up by the heads of the different banks. This week three banks have submitted their annual reports, and each one emphasises the problem. Sir John Aird, in reviewing the progress made by the Canadian Bank of Commerce during the year, and the business situation in general, referred to the necessity of industry having relief from unduly heavy taxes. He referred to the fact that capital for further development of our resources is and must be derived from production, and that the share of the surplus that used to go as a reward to the enterprise, or for further production is largely eaten up by the overhead of the business concerned. This could only be remedied by lower costs and Sir John proceeded to emphasize the importance of having sufficient available capital for investment in up-to-date plants and for the purpose of bringing down the overhead unit of production so as to make these lower costs possible. "If this is prevented by unwise taxes," he said, "or by any other cause, the motive power of the industry is weakened, and only as production becomes increasingly efficient in the manner pointed out can a higher standard of living be permanently possible." In this connection he also urged a simplification of taxation methods so as to prevent overlapping and to reduce the large volume of clerical work necessitated by present methods.

In dealing with the same situation, J. W. Hamilton, general manager of the Union Bank of Canada, said:

The greatest need of the country is a reduction in the cost of government. With a national debt which still, notwithstanding reductions, amounts to over $2,410,000,000 on Nov. 30 last, with the annual cost of Federal Government, including railway deficits, in excess of $400,000,000, and that of provincial governments adding a further substantial sum, resulting in an annual exaction of well over $100 from each inhabitant for the maintenance of government in its various forms, a rigid economy in public expenditure can do more to remedy the economic ills of this country than anything else.

Taxation in this country has reached the point of oppression. It has become more than a problem; it is a menace. There must be a stern facing of economic fact on the part of governments and the application of administrative surgery in order to reduce the burden of taxation and relieve business of some of the handicaps under which trade is at present languishing.

In his address to the shareholders of the Bank of Toronto, the general manager of the bank, John R. Lamb, referred to the effect of heavy taxation in the following statement:

Our taxes, other than on premises, including income taxes, increased over six times during the last few years and now amount to over 3 per cent. on our capital. The levies on premises have also increased, and the two together are now over 6 per cent. of our capital. We are, of course, quite prepared to pay our share, but we are afraid that banks are sometimes singled out for special attention by taxation authorities.

South Africa Will Now Resume the Gold Basis

South Africa has taken the lead among the British peoples in the reintroduction of the gold standard. Two international authorities on monetary questions, Professor Vissering of the Netherlands Bank of Amsterdam and Professor E. W. Kemmerer, of Princeton University, were consulted in connection with the contemplated resumption of gold payments and gave their judgment in favor of such action. The change will be made at the beginning of July. South Africa will be the second country to resume specie payments since the war, Sweden having taken the step during 1924.

The example of South Africa in this connection will be followed with interest by those countries who are considering the step. While the fact that South Africa is the largest gold producer, and therefore seems best equipped to resume payments, it is not the general feeling of the recognized authorities on monetary matters that this would affect the situation materially. Should Great Britain, for example, decide upon resumption, it is most probable that a free gold market would gradually be established once more, and in this event, it would matter little where the gold was actually produced.

The action of South Africa is of interest to Canadians in view of the fact that our government must decide within a few months what action is to be taken. Among the Canadian bankers there is some difference of opinion as to when it will be advisable for the government definitely to resume gold payments.

QUEBEC'S STAND ON POWER EXPORT IGNORES OTTAWA

Taschereau Will Not Permit Quebec Water Power to Leave

From Our Own Correspondent.

MONTREAL.—Premier Taschereau's stand on the water power export question is regarded as the most important pronouncement yet made on this subject. As the chief schemes for the development of power in Canada for export to the United States, that are now in contemplation, have regard to the development of Quebec water powers, the premier's statement that Quebec will not permit the export of power no matter what policy may be adopted by the government at Ottawa, is regarded as promising effective relief from this danger that is hanging over Canada's industrial fabric.

The stand of Premier Taschereau indicates that the province does not intend to wait for any indication of the policy of the Dominion government on the question. Ottawa has been ignored by the premier, who has indicated that Quebec not only does not care what Ottawa does, but intends to question the Dominion's authority in the export of power.

The premier's warning was plain enough. He stated that provision would be made in future water power leases to preserve the power for Canada, and his speech seemed to suggest that if means could be found to prevent export of power under existing licenses that such steps would be taken.

He invited the American people to understand that, "sooner or later the embargo will be decreed, and if they count on Quebec to furnish them with electric power they will be sadly disappointed. On the other hand, we invite them to come here and build their factories. They will find here robust workmen, wise laws which respect acquired rights, and a land where liberty is the better understood and the better practised."

Power Brings Industries

Premier Taschereau put forward some significant arguments for the home use of electrical energy. He said: "With our hydraulic development came our industrial awakening, our commercial movement, and the investment of private capital needed for the support of big enterprises. It it electrical energy, which is the arch of our industries, runs our tramways, lights our cities, and becomes daily more and more the element for our economic life."

After indicating how power had increased the industrial revenues of the province, the premier asked: "Would it be profiting our advantages and aiding our province to permit the exportation of electrical energy to aid foreign production which stands in need of power, and thereby permit such production to compete to a still greater extent with our own products in our own markets? In my opinion, a high tariff wall around Quebec will not protect us as well as a vigorous policy of conservation of our electrical energy, especially if we add thereto an invitation to outsiders to come here and aid us in the development of our hydraulic powers. By so doing we will obtain four marked economic advantages: Exclusion of foreign competition, creation of industrial centres for our workmen, the opening up of very much needed markets for our agricultural products, and, finally, the elimination of emigration, because of our greater means of giving our young people work at home."

HIGH WHEAT PRICES TEMPT FARMERS TO EVADE WHEAT POOL

Prosecutions Are Started in Saskatchewan to Collect Damages

From Our Own Correspondent.

WINNIPEG.—The first suit of the western wheat pools against a contract holder for breach of contract has been started by Saskatchewan Wheat Pool against Leon R. Zurowski, Southey district, for non-delivery of wheat. Damages of 25 cents a bushel, or a total of $375, are claimed for, as specified in the contract. The defence is said to be that the wheat pool is carrying on business illegally, through having neglected to take out a license from the Board of Grain Commissioners as required of primary grain dealers.

H. W. Wood, president of the Alberta wheat pool states that similar action will probably be taken in some cases by Alberta pool, although he discounted stories to the effect that many farmers who had signed contracts, were selling outside of the pool. Mr. Burnell, president of the Manitoba pool, says one could count on one's fingers the number of Manitoba farmers who were not keeping their contracts.

Stories of extensive sales by farmers evading their contracts have been frequent, but it is impossible to judge whether the practice has been widespread or not. Mr. McPhail, president of the central selling agency, stated in a speech at Washington the other day that the pools would probably handle eighty million bushels of wheat from the crop of 1924. That is considerably less than half of the crop, which the pools were expected to handle from the number of contract signers, but there are a number of different reasons besides contract breaking which might account for the deficiency.

As the price of wheat continues to rise, it makes it unlikely that farmers who broke their contracts by selling early will have profited. On the other hand, farmers who have not yet sold may figure that current prices are near the maximum, in which case they will be higher than the average which the pool will be able to produce, and the temptation to break the contract now may increase. Wheat pools probably stand higher with their membership now than was at first the case, which tends to result in loyalty to contracts, and to develop a local sentiment which would be strongly against a contract holder in any district who should evade his contract.

Salmon Pack Last Year Upset All B.C. Records

Figures compiled by Marine and Fisheries Dept., Ottawa, indicate that B. C. salmon pack last year set a record. It will exceed 1923 by 338,000 cases. The figures:

Kind—	1924	1923
Sockeye	359,009	334,647
Springs	24,492	27,142
Steelheads and bluebacks	3,286	8,857
Cohoes	112,975	112,044
Pinks	643,645	440,932
Chums	536,811	418,055
Total	1,680,218	1,341,677

Five countries took 80 per cent. of Canada's exports of canned salmon during the calendar year 1923. Detailed figures follow:

Purchaser—	Pounds 1923
United Kingdom	14,917,616
France	13,121,472
Australia	6,219,136
Italy	2,582,496
Belgium	2,500,736
Others	9,747,472
Total	49,088,928

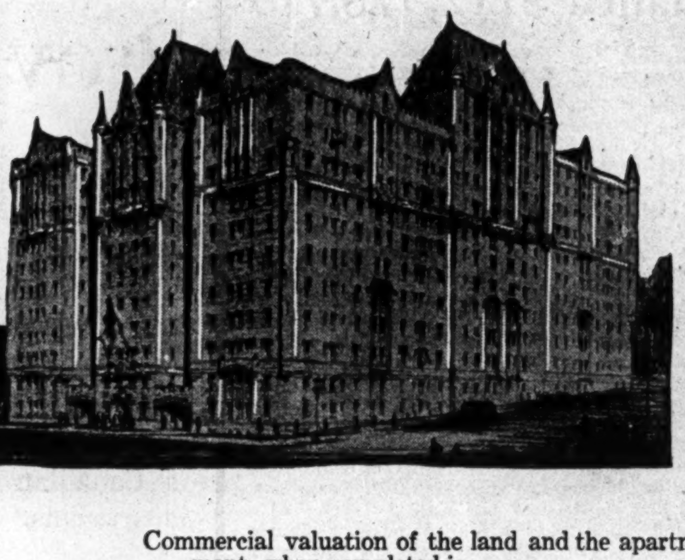
NEW ISSUE

$1,875,000

Montreal Apartments, Limited

6½% First (Closed) Mortgage Sinking Fund Gold Bonds

Dated January 1, 1925, maturing January 1, 1940. Principal and semi-annual interest (January 1 and July 1) payable in Montreal, Toronto, Winnipeg, Vancouver, Halifax, St. John or New York. Coupon Bonds, denominations $1,000, $500 and $100, with privilege of registration as to principal. Redeemable at 105 and accrued interest up to January 1, 1930; at 103 and accrued interest thereafter up to January 1, 1935, and at 101 and accrued interest thereafter until maturity. The Company assumes United States Normal Income Tax up to 2%, and will refund Pennsylvania 4 Mills Tax. Montreal Trust Company, Trustee.



CAPITALIZATION
(On completion of financing)

	Authorized	Outstanding
6½% First Mortgage Bonds (this issue)	(Closed)	$1,875,000
6% Second Mortgage	$350,000	350,000
Common Shares (no par value)	15,000 shs.	15,000 shs.

Descriptive circular, copies of which will be forwarded upon request, contains a letter from Hon. P. R. DuTremblay, K.C., M.L.C., President of the Company, from which the following is summarized:

These Bonds are secured by first (closed) mortgage on approximately 67,290 square feet of land at the north-west corner of Sherbrooke and Mountain Streets, Montreal, and the 11-storey fireproof Apartment Building and equipment now being erected thereon.

Commercial valuation of the land and the apartment building and equipment, when completed is	$3,250,000
Total First Mortgage Bonds	1,875,000
Equity in excess of First Mortgage Bonds	$1,375,000

The building, which will be known as "The Chateau", will contain about 918 rooms divided into approximately 138 apartment suites, will be of reinforced concrete construction with limestone exterior on both streets, and is to be completed ready for occupation by November 1st, 1925. The building will embody the latest features of apartment building design, and from standpoints of accommodation and exterior and interior finish will be of the most modern type.

Insurance to an amount of not less than the total of First Mortgage Bonds outstanding at any time will be carried on the building and equipment.

Mr. DuTremblay, who owns all the common shares of the Company, has had many years experience in construction and operation of Montreal apartments. He is the majority shareholder in the Drummond Investment Company, which owns the "Drummond" and "Drummond Court" Apartments (fully rented to nearly 200 tenants). Based on operating figures of these buildings and on rentals received by other Montreal apartment buildings, it is estimated that revenue of "The Chateau" for the first full year of operation should be:—

Gross Revenue	$350,000
Operating Expenses and Taxes	90,000
Net Revenue available for Bond interest	$260,000

The estimated net revenue is, therefore, in excess of twice bond interest.

Completion, equipment and delivery of the building by November 1st, 1925, free of all liens, is guaranteed by Guarantee Bond of the contractors and the Guarantee Company of North America for $500,000, assigned to the Trustee. In addition, Mr. DuTremblay covenants to supply all monies necessary to complete the building.

The location of the building is in the heart of one of the best residential sections of Montreal, within one block of St. Catherine Street — the shopping and theatre district — near the leading hotels and railway terminals and within reasonable distance of the principal business section of the city.

Montreal has a yearly growth greater than any other Canadian city, and there is a lack of modern, fireproof apartment accommodation of the type which will be provided by "The Chateau."

We offer these Bonds for delivery if, as and when issued and received by us and subject to approval of our counsel of all proceedings, at—

98½ and accrued interest, to yield 6.65%

Royal Securities Corporation, Limited

MONTREAL TORONTO HALIFAX ST. JOHN WINNIPEG VANCOUVER

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

WEST'S REVENUE ALMOST EQUAL TO RECORD OF 1923

Only Ten Millions Below Returns From Our Record Crop

DEBTS BEING PAID

Mortgage and Loan Companies Almost Unanimously Report Collections to be Much Better

By E. CORA HIND, Commercial Editor, Manitoba Free Press.

WINNIPEG, Jan. 13.—The Manitoba Free Press has issued its statistical number, covering the returns from the farms of the Prairie Province, or, more properly, the returns of the larger items, such as the wheat and other grains sold between August 1 and December 31, the sales of butter, cheese and livestock of all kinds, and the returns from potato, root and forage crops. There are also partial returns from sales of poultry, honey and like commodities, and these figures indicate that the movement of such items from the farms has set in motion over three hundred and eighty-four million dollars. Some of the larger items in this total are the following:

For all wheat inspected and passed, Winnipeg, price basis, Fort William $215,450,123; this amount represents 144,471,358 bushels, and during the same period in 1923 the amount inspected was 263,090,080. So that this year the amount inspected was 118,618,732 bushels less than last year, but the amount of money received was only some $29,545,000 less, so that the higher prices have in a very considerable measure made up for the shortage of the crop. The percentage of contract grades this year works out at 60.2, as against 85.28 last year. The inspection of wheat does not cover all that has been marketed. The actual marketings at country elevators were 165,708,945 bushels, and as nearly as can be ascertained these marketings were divided between the provinces as follows:

Manitoba. 1924, 32,099,176 bushels; 1923, 24,442,765.

Saskatchewan. 1924, 86,851,345; 1923. 204,430 683.

Alberta, 1924, 46,758,424; 1923, 96 134,933.

Manitoba has marketed about 8,000,000 bushels more than in the same period in 1923, which reflects the better crop harvested, while Saskatchewan and Alberta, both having suffered heavy loss from drought and other causes, have fallen far behind last year; Saskatchewan 117 579 337 bushels less, and Alberta 43,376,509 bushels less.

The following table shows the average prices paid, basis Fort William, for No. 1 Northern, for the five months, August, September, October, November and December, 1924 and 1923:

Month—	1924	1923
August	$1.43½	$1.05⅛
September	$1.43½	$1.06¼
October	$1.59½	$ .97¾
November	$1.64¼	$ .97⅝
December	$1.72⅝	$ .93⅛

Total Farm Revenue

Possibly the most interesting fact is that in spite of the very great shrinkage in deliveries of grain, the total returns from the farm products on which it has been possible to secure figures, are slightly less than ten millions lower than in 1923, when the West harvested the biggest crop in its history. The Free Press has taken the opportunity of its statistical number to publish a revised estimate of the crop. In making this revised estimate it is pointed out that only once before in 20 years has any revised estimate been published. On the previous occasion the revision was made on a decreased acreage issued by the Dominion government. This time it was considered wise owing to the fact that a heavy frost came directly after the September estimate was issued, and also that the threshing season was such that there were considerable losses, and, further, that considerable grain is still unthreshed, much of which is not likely to yield merchantable wheat. The estimate as it now stands is made from the returns specially asked for from the paper, and from 340 local correspondents, and shows a decrease in average yield of wheat, of two and a half bushels in Manitoba about two bushels in Saskatchewan, and less than a bushel in Alberta. The total reduction for the three provinces runs just under twenty-seven million six hundred thousand bushels, the estimate being 268,263,449, as against 295,858,791 as estimated on September 15.

There is little change in the estimate of coarse grains, these having been very low in the first estimate, but in Manitoba the yield of barley has been advanced five bushels per acre, and flax, four. The question has been asked from the East, what is the outlook for next spring? Are the heavy snows reported in the West an indication of better crops in 1925? There are two Western saws that used to be heard more frequently in the old days than of later years. They are: "Plenty of Snow, Plenty of Wheat," and "Plenty of Mosquitoes, Plenty of Wheat," and they both turn on the same thing, namely, moisture. Plenty of snow indicates a good supply of moisture to start the crop in the spring, and if mosquitoes are abundant in the warm months, it is a pretty sure indication that there is sufficient moisture to keep the crop growing as it should.

There was more rain last fall than has been the fortune of the West for some years and the frost came early and was severe. This means that it has followed the moisture to a great depth in the ground and will be there to furnish sub-surface moisture far into the growing season.

The snows are heavier than for a number of years, which indicates plenty of surface moisture to start the crop. In other words, the present winter indicates normal, healthy conditions, and, given favorable spring weather, the crops of 1925 should get away to a good start.

Meantime, the financial situation, particularly in Manitoba, is of great interest. Mortgage and loan companies are almost unanimous in reporting that principal and interest alike on loans has been met to an extent very much in excess of expectations. Merchants report farmers' accounts well met, and buying very satisfactory. There are districts where conditions are not good, but the province of Manitoba as a whole has not only turned the corner, but has gone a considerable number of yards on a newer and brighter road, and in Saskatchewan and Alberta, while the report on the reduction of indebtedness is not quite so good, it shows very substantial improvement also.

Taking all in all the outlook for 1925 is better than the outlook for 1924 at the same date.

The Idle Poor

The preliminary report of the Russell Sage Foundation, the result of a five-year inquiry into the subject of unemployment, brings out that fact that there exists in the United States a perennial class of idle poor presenting for consideration problems far graver in character than any which could possibly arise because of the so-called "idle rich" who call forth every so often the censure and criticism of the socialists and soap-box reformers. The finding of this five-year inquiry into the subject of unemployment is that from 10 to 12 per cent. of all the workers in the country are constantly unemployed.

The report says: "Widespread unemployment is now a constant phenomenon, with far-reaching economic, social, psychological and moral bearings." There is no doubt that any high level of unemployment produces a state of feeling which the Foundation report describes as "a resentment on the part of the workers against an industrial situation in which such insecurity and uncertainty of employment are possible," says Boston Commercial. The feast or famine aspects of a large part of modern industry and business, with their constantly recurring waves of prosperity and depression, have long formed the basis of the attacks of radicals against the entire capitalistic system. It is true, however, that these arguments have lost much of their force since the communistic experiment in Russia, which, to say the least, has demonstrated that the perfect cure-all is not as yet in sight.

The report of the Sage Foundation has been made only after the most careful and thorough investigation, and it is based on a study of the country's average experience over the past two decades. Nevertheless, it is well to specify, in the language of the Associated Press, that although the report has this reach of time, its figures "are not necessarily indicative of present conditions nor of the last year." The report is one on averages and must be accepted as such.

Again, although the report indicates a serious social and economic condition to exist in the United States, the number of unemployed in the country, one million out of thirty million, cannot be properly described as widespread. It has been stated by Secretary of Commerce Hoover that in the best of times there are about a million people in this country without jobs. The "Times" says: "In such a vast mass (thirty millions) the mere personal dislocations, the independence and comparatively migratory character of the American workmen, will account for a million unemployed. And to that we must add the fairly large number of unemployables who appear in the statistics as unemployed."

Yet the situation in this country is poor enough, and the efforts of many noted economists since the war have been devoted to the at least partial correction of the "business cycle" and the leveling of the peaks and valleys of prosperity and depression. It is to be hoped that the experience of 1921 furnished plenty of food for thought and the fact that the "slumps" of the past three years have been of much lesser extent than some of the previous ones may indeed be ground enough for the belief that a permanent corrective influence is already at work in this respect.

It is the growing belief that both the industrial engineer and the government can do much to relieve the unemployment situation of the country, and the indications are that more and more attention is being given to the subject. Through the auspices of the President's Conference on Unemployment a new light has been thrown upon the seasonal factor in the construction industries. The investigators found that with modern technical developments there is no reason why the building trades should be idle during the long winter months, following the tradition before iron construction and cement and mass production were the rule. An economic principle which has been advanced in the past three years is that of the government prosecuting any development projects it may have on hand in the periods of greatest unemployment, and there seems to be considerable common sense in the idea.

The report of the Sage Foundation attacks the work performed by private employment agencies, and intimates that the principal concern of many of these institutions lies in fee chasing rather than in the proper and permanent placing of labor, both skilled and unskilled. Government or public employment exchanges are advocated for the protection of the worker. Such agencies have been thoroughly tried out abroad and have met with great success. There can be little doubt but that their widespread use in this country would be a beneficial both to labor and industry, inasmuch as under such a system the worker would not be taken advantage of and a much wider distribution of labor could be effected.

OWNER MUST PROVE ACTUAL CASH VALUE OF ANY FIRE LOSS

The Need of Periodical Appraisals is Apparent

To have a correct appraisal made of all the assets of one's company is far-reaching in its influence and it is almost a difficult matter to point to the particular spot where the greatest benefit accrues. Appraisals have such a determined effect upon property sales, insurance and the like, they have been extended far into commercial activity and are to-day stamped as the basis for all values. The advantages, as pointed out by the Sterling Appraisal Co., are:

Fire insurance does not insure the property itself—it insures the owner against loss on the property. This loss is measured in terms of "the actual cash value." The policy defines "actual cash value" to be the cost to replace the property, at the time and place the loss occurs, "less a depreciation however caused." Insurance adjusters do not settle on the basis of value now for the reason that the policy stipulates the actual cash value; that is, the depreciated or sound values.

An insurance policy for $5,000 is not a promise to pay $5,000 if the property is damaged, but insures the owner against loss "to an amount not exceeding $5,000." The owner has to prove how much he has lost under the policy and how much he can recover. This explains why the owner must prepare a schedule of values. What is this schedule of values? It is a complete inventory backed by an appraisal. Every item the owner enters after a fire, he must prove. Memory is not proof. Ashes are not proof. The best proof is the report of an Appraisal Company that is recognized by the insurance companies as being competent. Therefore, if a correct appraisal can be used as the basis of settlement for loss, it certainly proves to be a far-reaching influence.

Keep Appraisal Up-to-date

One of the most important features of the appraising of one's properties is its up-to-dateness and it would not seem wise to allow an appraisal to stand for more than a year without being revised.

In this connection the booklet goes on to say:

If "betterments" or improvements have decreased depreciation, and have increased values, so much greater the need for revision, as this information should be known by bank and insurance company, both of which will increase credit and protection. If wear and tear have increased depreciation, it may have come about silently while the owner was concerned with many things than caused him to overlook the changing values of certain particular units.

No annual report is complete without having as its basis for value, the certified report of a capable appraisal company. Appraising values from the inside of an organization is the improper way, as it is said that men grow fast to their organizations, and if this be true they cannot make an unbiased report. Practically it costs no more to have an appraisal each year for four or five years, than it does to make one appraisal at the end of five years. In the latter way you may have a fire at the end of three years, and you will probably lose. Old appraisals do not show value-facts. They are considered to be too old. No out-of-date appraisal can influence either a banker or an insurance company.

To have a plant appraised is conclusive evidence that the owners wanted to know the true value and is a strong recommendation for that organization in all financial and commercial circles. An appraisal is not only useful as a basis for value, but it is influential in reducing many expenses for adjustment. For instance, if a company has suffered damage from fire or other destructive agent, and no sound appraisal is at hand, it will likely be necessary to call in certain high-priced experts to assist in reaching a definite value for machinery and material of a certain character. Expert opinion is always more than high priced if crowded into an emergency.

Questions and Answers

Journal of the C.B.A.

Question—"A" sends a cheque (not certified) to "B" who carries on business in another town. "B" acknowledges receipt, and nothing further is heard of the item until the bank in "A's" town advises him that the item is supposed to have been lost in clearing and asks for a duplicate. The bank refuses to give anything in writing substantiating their statement, and "A" is reluctant to issue a new cheque until some assurance is given that no liability will be attached if the old cheque turns up, even though payment was stopped.

(1) Is "A" justified in refusing until a bond or written explanation of a request for a renewal is furnished?

(2) Supposing cheque instead of being lost has been endorsed over to a third party, what liability falls on "A"?

Answer—"A" is quite justified in demanding indemnity before issuing a duplicate—see Section 156 of the Bills of Exchange Act.

(2) "A" would be liable on the cheque to a bona fide holder for value, but would be entitled to recover from the original payee if a duplicate has been issued and paid.

Question—"A" presents a cheque at the main office of a Toronto Bank, drawn by "B" in favor of "A," on the Winnipeg branch of the same bank. The Winnipeg branch agrees by wire to hold funds and knowing this "C" identifies "A" and both endorse the cheque, the money being paid to "A."

The cheque is sent to Montreal Branch in error and is forwarded direct by them to Winnipeg, who return it "unprotested—signature irregular," to Montreal, who in turn forward it to Toronto.

"A" cannot be found and "C" refuses responsibility, claiming his endorsement was intended for identification purposes only.

"B" claims he did not issue the cheque and the signature does not resemble his.

(1) Can "C" be made to pay?

(2) To what extent is his liability affected by reason the cheque was not protested and the delay incidental to its being forwarded and returned via Montreal?

(3) What criminal charges should be laid against "A."

Answer—(1) As the item in question is not a bill of exchange, see section 48 Bills of Exchange Act, C. would only be liable to the extent to which the Bank could bring action on other grounds than as an endorser.

(2) As the item is not a bill of exchange no notice is required.

(3) If A had knowledge that the cheque was forged he could be prosecuted.

Question—A cheque payable to John Doe or bearer is cashed by a Merchant, who in turn deposits it, along with other funds, at bank 'A.' The Merchant does not endorse the cheque, but the Teller stamps it "Deposited to the credit of, etc." The cheque is payable at bank 'B' (in the same village) where payment has been stopped. Bank 'A' hands the item to a Notary for protest, who protests the item without presenting at bank 'B,' and then not for the reason given bank 'A.' The Notary protesting sent notices only to the maker of the cheque and to bank 'A,' from whom he had received the cheque. Bank 'A' contended that protest was necessary in order to hold the Merchant, but this party had not endorsed the cheque nor was he even sent a notice by the Notary.

(1) Would bank 'A' have been justified in notifying the Merchant and charging back the item to his account?

(2) Did bank 'A' better its position by having the cheque protested and was protest necessary?

Answer—(1) If Bank 'A' holds the customary agreement form entitling it to charge back dishonoured items, it would be within its rights in doing so, but not otherwise.

(2) No, except in so far as protest serves as evidence of presentation and dishonor. The cheque, being payable to bearer, required no endorsement nor any attention to be paid to such endorsements as it bore.

COYOTE SKIN PRICES GOOD

CALGARY.—Hundreds of coyote skins are being received here. Due to the cold weather the pelts are in fine condition and are bringing good prices.

GROWTH IN CALGARY ELEVATORS

CALGARY.—In less than twenty-five years, Calgary's elevator capacity has grown from zero to 4,000,000 bushels, with a big increase probable when Spillers complete their local development.

Canada's Building Permits Issued Last Year Totalled $112,978,719

Building throughout Canada in 1924 fell off considerably as compared with 1923, as the table below shows. The decline was largely in the East, notably Toronto, which showed a falling off almost equal to the total decrease in all the provinces east of the Manitoba boundary. Things were better in the Maritimes, three cities showing a considerable increase. St. John, N. B., stands $774,000 higher because of the new hotel there. Montreal and Quebec had a most prosperous year, the two together showing an increase in building of well over $6,000,000. None of the large Ontario cities appear in the increase column while large decreases were fairly general. Toronto led with a falling off of $6,683,000; Hamilton $2,143,000 while London, Oshawa and Port Arthur, each dropped a million with Ottawa just under that mark. The better feeling in regard the business outlook is shown in the December figures for Toronto, which show that month ahead of a year ago. In practically every month of the year the 1924 Toronto figures were below a year ago. The situation in the East for December might be described as generally quiet, however, as few centres show any increased activity.

Western Canada stood up well during 1924, showing a fair increase in building right up to the last quarter when there was a falling off. The Prairies and British Columbia cities for the year, 18 in all, show a decline for December. Winnipeg was the only western centre to show a decline of a million dollars while Edmonton led in increase with $816,000. Saskatoon, Moose Jaw and Calgary each had a fair year also. Vancouver figures show $1,650,000 spent on new grain elevators during the year.

EASTERN CITIES	Dec. 1924	Dec. 1923	Change	12 Months 1924	12 Months 1923	Change
Maritimes—						
Halifax	$ 7,175	$ 17,090—	$ 9,915	731,209	378,709+	$ 352,500
St. John	2,500	8,700—	6,200	1,133,265	358,500+	774,765
Sydney	1,750	3,485—	1,735	151,907	319,162—	167,255
Quebec—						
Lachine	4,500	49,025—	44,525	403,683	733,975—	330,292
Montreal	1,613,187	1,780,525—	167,338	31,013,419	27,125,863+	3,887,556
Quebec	75,495	88,810—	13,315	7,331,846	3,786,933+	2,544,913
Sherbrooke	3,000	68,150—	65,150	529,878	732,100—	202,222
Westmount	53,150	48,750+	4,400	2,381,606	1,933,232+	448,374
Ontario—						
*Border Cities	306,434	229,571+	76,863	8,222,224	8,027,265+	194,959
Brantford	6,515	9,685—	3,170	189,980	615,686—	425,706
Chatham	30,000	41,822—	11,822	355,329	265,867+	89,462
Fort William	50,350	270,530—	220,180	1,272,350	1,425,130—	152,780
Galt	181	7,000—	6,819	124,742	135,631—	10,889
Guelph	3,445	24,165—	20,720	404,304	571,484—	167,180
Hamilton	164,800	195,750—	30,950	3,309,800	5,452,930—	2,143,130
Kingston	10,800	19,347—	8,547	1,035,620	649,233+	386,387
Kitchener	81,220	41,865+	39,355	1,211,122	1,893,892—	682,770
London	80,245	89,805—	9,560	2,113,500	3,261,065—	1,147,565
Niagara Falls	98,200	44,480+	53,720	802,622	758,513+	44,109
Oshawa	28,500	285,685—	257,185	786,985	1,923,110—	1,136,125
Ottawa	59,650	401,550—	341,900	2,538,764	3,529,277—	990,513
Owen Sound	......	......	......	168,210	305,000—	136,790
Peterborough	15,750	14,885+	865	437,510	295,447+	142,063
Port Arthur	4,602	5,085—	483	1,187,307	2,640,321—	1,453,014
Sarnia	51,725	43,210+	8,515	840,803	791,470+	49,333
Sault Ste Marie	16,375	2,860+	13,515	559,245	401,032+	158,213
St. Catharines	21,250	53,282—	32,032	713,639	806,310—	92,671
St. Thomas	5,000	3,850+	1,150	1,640	3,342—	1,702
Stratford	5,310	2,720+	2,590	641,874	509,272+	132,602
Toronto	2,383,260	2,021,830+	361,430	23,926,028	30,609,227—	6,683,199
Welland	6,000	860+	5,140	178,880	206,105—	27,225
Woodstock	1,104	4,160—	3,506	237,668	309,588—	71,920
Total 32 E. Cities	5,191,473	5,878,532—	687,059	94,936,959	101,754,671—	6,817,712
Smiths Falls	......	28,000	......	......	......	......
York Twp.	227,750	......	......	4,145,750	......	......
WESTERN CITIES						
Manitoba—						
Brandon	1,700	3,500—	1,800	225,007	183,034+	41,973
St. Boniface	12,840	6,875+	5,965	418,545	510,353—	91,808
Winnipeg	48,400	37,950+	10,450	3,177,900	4,484,100—	1,306,200
Alberta—						
Calgary	23,775	6,200+	17,575	1,030,790	821,840+	208,950
Edmonton	23,825	12,160+	11,665	2,305,005	1,488,875+	816,130
Lethbridge	4,480	9,515—	5,035	175,086	259,685—	84,599
Medicine Hat	......	......	......	132,867	28,907+	103,960
Saskatchewan—						
Moose Jaw	4,420	500+	3,920	501,126	289,398+	211,728
Prince Albert	475	......+	475	147,336	254,255—	106,919
Regina	9,325	8,850+	475	939,785	1,264,030—	324,245
Saskatoon	8,375	3,800+	4,575	1,282,276	852,548+	429,728
Weyburn	......	400—	400	2,205	19,055—	16,850
Yorkton	125	......+	125	60,360	47,995+	12,365
British Columbia—						
Kamloops	3,400	2,765+	635	163,860	99,728+	64,132
Nanaimo	600	570+	21	89,005	137,507—	48,502
New Westminster	28,880	12,150+	16,730	321,432	350,848—	29,416
Vancouver	166,395	584,957—	418,562	6,230,774	6,277,574—	46,800
Victoria	2,195	27,970—	25,775	838,401	1,050,160—	211,759
Total 18 W. Cities	339,210	718,171—	378,961	18,041,760	18,419,892—	378,132
Grand Total 50 Cities	5,530,683	6,596,703—	1,066,020	112,978,719	120,174,563—	7,195,844

*Include: Windsor, Walkerville, Ford, Sandwich, Riverside.

Providing The Best Fiction

THE short stories published in MACLEAN'S MAGAZINE attain a remarkably high standard. They are not "high brow," neither are they filled with sticky sentiment. They are stories for people who appreciate a rattling yarn with characters faithfully portrayed. MACLEAN'S MAGAZINE provides for its readers the best fiction—fiction equal in merit to that published in the best magazines in any country.

Below is a brief review of "Three of the Best" appearing in the January 15th number of MACLEAN'S. In addition to these stories there are feature articles on Canadian topics, a generous instalment of the serial and all the regular departments.

JANUARY 15th ISSUE

Even as You or I

Concealed deep in the heart of each one of us there are thoughts, feelings and emotions that can never be revealed. "The Love Story of a Silent Man," by Harvey J. O'Higgins, might well be the love story of you or me. If a man is successful in a business way, has good health, has no domestic troubles apparently, and is enjoying the fruits of a happy and prosperous career, what can possibly lead him to consider suicide? John D. Grimsby, the central figure in this novelette, appears to have reached middle age very fortunately situated, then he comes to a psychological impasse which astonishes his friends. Outwardly there is no warning, but the causes of his action are deep rooted and go back to his youthful 'teens. It is a remarkable story — and one that will leave you thinking.

Expiation

"The Flagellant of Farthing Rock," by J. H. Greene, is a vigorous story of Newfoundland, told with brusque and deft touches. The old man in the story feels that his son has committed an unforgivable wrong, and he feels that there is definite need of expiation. In many ways this is a remorseless bit of realism which will bite into your mind and impress you with the actualities of pioneer people and conditions.

Virtue's Reward

When you have read "Peter Bowers Pays His Tithe," by Helen Christine Bennett, you will feel that you know Peter, the insurance salesman, and his wife, "Squidge," intimately. They are real people, and, what is more, they are the kind you would like to know. They decide, quite altruistically, to tithe regularly. This practice leads them into all sorts of business contacts and ultimately results in their becoming not only useful but affluent members of the community in which they live. Here is a story that will interest business men — and particularly insurance salesmen.

On Sale at all Newsdealers

MACLEAN'S "CANADA'S NATIONAL MAGAZINE"

Subscription Price $3.00 per year

SEVENTY YEARS' GROWTH CANADA PERMANENT CO.

Very Satisfactory Report for Anniversary Year

In view of the seventieth anniversary of the founding of the Canada Permanent Mortgage Corporation being celebrated this year, the shareholders will find it highly gratifying that the annual statement is a reflection of that continued growth and healthy expansion which has marked the long history of this company through periods of prosperity as well as through periods of depression.

Net profits for the year, after making all deductions, including $115,738 for Dominion and Provincial taxes, amount to $922,683, which compares with $911,798 for 1923. The balance brought forward from 1923 was $405,954, making a total of $1,328,637 available for distribution. Dividends at the rate of 12 per cent. per annum were paid amounting to $840,000 leaving a balance of $488,637, which was carried forward to profit and loss account.

PROFIT AND LOSS

	1924	1923	1922
Net profits	$ 922,683	$ 911,798	$ 903,019
Bal. forward	405,954	334,156	271,136
	$1,328,637	$1,249,954	$1,174,155
Distribution—			
Divs. . . .	840,000	840,000	840,000
Bal.	488,637	405,954	334,156
	$1,328,637	$1,245,954	$1,174,155

Nine Years' Record

Year	Earnings	% on Cap.	Div.
1924	$922,683	13.17	12
1923	911,798	13.01	12
1922	903,019	12.90	12
1921	896,366	x13.79	12
1920	854,277	14.23	10
1919	827,983	13.79	10
1918	824,523	13.73	10
1917	852,325	14.20	10
1916	866,126	14.44	10

x $6,000,000 for first six months and $7,000,000 for second six months.

The company's assets amount to $45,414,653 at the close of the year, comparing with $43,649,024 for the preceding year. Liabilities to the public amounted to $30,716,016, including debenture stock $850,719, sterling debentures $14,226,257, currency debentures $8,294,977, deposits $7,334,483, inclusive of accrued interest in each case. The company's liabilities to its shareholders amount to $14,698,637.

Included in the changes in the company's assets was a larger holding of Dominion of Canada and Provincial bonds valued at $1,907,020 and diminution in British Government securities which are valued at $944,815. Bonds guaranteed by the Dominion of Canada were held to the amount of $645,129, which compares with $273,938 entered in this category for the preceding year. The amount of mortgages outstanding was slightly larger, amounting to $35,688,207, which, together with accrued interest, amount to $36,906,672, which compares with $36,454,669 for the preceding year. The company's cash position is also stronger, with some $1,538,885 in banks and on hand, as against $1,439,064 at the close of the preceding year.

A Proud History

The launching of the Canada Permanent goes back to the very foundations of the organized mortgage loaning business in Canada, and the development of this business has been the very development of Canada in the financing of our farmers and home builders. From a history of the company the following brief chapter is given:

Many men have been born, risen to greatness, and passed away since then; fortunes have been made and lost again; hundreds upon hundreds of commercial ventures have been launched, prospered for a while, and then been wrecked in times of stress. On the whole it has been seventy years of prosperity for Canada (and for Toronto), but there were some terrific financial storms to weather. The crises of 1857 following the railway boom, the seven lean years of depression from 1872 to 1879, the world-wide fall in prices in the late eighties and early nineties, the Great War of 1914-1918 and the subsequent inflation and reaction, through all those heart-breaking periods did the Canada Permanent pass in its seventy years. It would not have survived had it not maintained the unshaken confidence of the people in its soundness—a confidence based on integrity, ability, a well-earned reputation for conservative management and fair dealing in all its transactions. The first, the oldest, and the foremost institution of its kind in Canada, its history affords a striking example of Canadian achievement and foreshadows even greater things to come:

The following figures illustrate the growth of this well-known corporation:

	1855	1925
Capital paid-up..	$31,327	$7,000,000
Reserve fund ..	Nil	7,000,000
Total assets ...	68,798	45,414,653

The combined assets of the Canada Permanent and its associate institution, the Canada Permanent Trust Company, exceed the large sum of fifty-four million dollars.

Central Canada Loan Profits Show Increase

Central Canada Loan's net earnings for the year were $249,535, which is a material improvement over a year ago, when the figures stood at $228,839. This is after all debentures and deposit interest and overhead expense had been taken care of. Shareholders were paid in dividend and bonus 13 per cent. during the year, and, after this distribution and making provision for taxes and donations, there remained, with the balance forward added $169,580, as compared with $159,866 a year ago.

Rather an interesting point was called to the attention of shareholders by E. R. Wood, president. It was to the effect that reserve now stands at $1,750,000, or equal to the paid-up capital of the company.

Deposits at the end of the year amounted to $2,217,944.18, which compared with $1,988,056.10, at the end of the previous year, a gain in the twelve months of $229,888.08. The debentures showed a slight reduction, as will be the case with most of the loan companies this year, these amounting to $1,432,189.49, as against $1,532,978.32 in 1923, a decrease of $100,788.83. Stocks and bonds are owned by the company to a total of $4,040,190.13, which is only a shade less than a year ago. Loans on stocks and bonds amounted to $1,335,718.94, an increase in the year of $52,070.56.

GROWTH OF THE NATIONAL TRUST WAS CONTINUED

Increased Deposits and Heavy Taxes Features of Report

The annual report of the National Trust Company for 1924 shows that its record of expansion and business building has been continued although, because of the absorption of the Commercial Trust of Hamilton, comparison with previous reports is rendered difficult. That, apart from the amalgamation there has been healthy expansion, is indicated by the fact that, while total assets have increased by nearly $13,000,000 to $138,906,734, the assets of the Mercantile Trust were somewhat under $8,500,000.

Earnings amounted to $358,262 compared with $316,660 for 1923 and $294,598 for 1922. Taxes increased from $30,000 in 1923 and $18,000 in 1922 to over $60,000 in 1924. Dividends required $270,000 as compared with $240,000—the result of the amalgamation. Then the directors wrote off the entire cost of the extensive alterations made to the Toronto office building during the year, $109,386. The balance available was thereby reduced, being $121,646 compared with $204,540 brought forward. Following are comparative figures:

	1924	1923	1922
Earnings	$358,262	$316,660	$294,598
Income tax	61,769	30,000	18,000
Profits	$296,493	$286,660	$276,598
Bal. forward	204,540	157,880	121,282
	$501,033	$444,540	$397,880
Distribution—			
Dividends	$270,000	$240,000	$240,000
Premises	109,386	....	....
Balance	121,646	204,540	157,880
	$501,033	$444,540	$397,880

Seven Years' Record

Year	*Net Profits	% on Av.Cap.	Div.	Stock High	Stock Low
1924	$296,493	13.5	12	220	210
1923	286,660	14.3	12	215	197
1922	276,598	13.8	12	201	190
1921	276,865	13.8	12	200	190
1920	235,025	14.0	11	230	198
1919	247,440	16.4	10	205	200
1918	239,784	15.9	10	....	....

*Income tax deducted.

The manner in which the various departments of the company's business are expanding is indicated in the following summary:

	Capital Account	Guaranteed Account	Estates etc.
1924 ..	$4,737,191	$9,298,248	$124,871,294
1923 ..	4,370,583	7,440,988	114,283,375
1922 ..	4,341,718	5,941,839	102,259,850
1921 ..	4,298,443	5,113,988	93,400,117
1920 ..	4,277,214	5,387,200	84,726,290
1919 ..	3,300,670	5,975,711	79,665,410
1918 ..	3,238,221	6,897,900	69,955,548
1917 ..	3,197,122	7,717,790	65,807,722
1916 ..	3,174,174	7,371,097	58,651,782
1915 ..	3,140,543	6,986,333	49,205,608

An interesting feature of the balance sheet is the growth indicated in trust deposits, which are now $4,908,418 compared with $3,977,923 a year ago.

Midland Loan Feels the Burden of Taxation

The most successful year in its fifty-two years' history is reported by the Midland Loan & Savings Co. for 1924. Both gross and net earnings reached new high levels. Reserve funds and undivided profits exceed paid-up capital by over $34,000. Debentures have been increased during the year by over $1,000,000. Total assets are now over $2,000,000. For the eighth year in succession there is no real estate on hand for sale and, notwithstanding the increased amount invested in mortgages in Ontario and the greater difficulty in regard to collections, the record of the previous year has been exceeded and at the close 99.55 per cent. of the 1924 revenue was actually collected. President Thomas Wickett refers to the vexing problem of taxation which shows no signs of improvement and this, he says, is a serious matter.

PROFIT AND LOSS

	1924	1923	1922
Earnings	$137,027	$124,608	$117,870
Int. Dep. and deb	61,931	53,717	45,817
Expenses	14,627	14,900	14,146
Commissions . . .	634	171	738
Taxes	6,915	7,361	4,445
	84,107	76,149	65,146
Profits	$ 52,920	$48,459	$52,724
Bal. forward	14,453	18,395	19,871
	$ 67,373	$ 66,854	$ 72,595
Dividends	32,400	32,400	34,200
Reserve	10,000	10,000	20,000
Contingent	10,000	10,000	......
Balance	14,973	14,454	18,395
	$ 67,373	$ 66,854	$ 72,595

Six Years' Record

Year	Paid-up Capital	Profits	Div.	% on Av. C'p.	Earn. Rate
1924	$360,000	$52,920	8+1	14.6	7.2
1923	360,000	48,459	8+1	13.4	6.6
1922	360,000	52,725	8+1½	14.6	7.4
1921	360,000	50,247	8+1	13.9	7.1
1920	360,000	42,768	8+½	11.8	6.3
1919	360,000	43,606	8	12.1	6.6

HIGH COST OF GOVERNMENT

London Free Press:—One of the troubles with Canada to-day is that we are overgoverned. Ontario, with a population of well on to three million people, is not suffering from this complaint as much as some of the Maritime and Western provinces. However, at a time when reduction of governmental expenditure is an imperative need, it would be unwise to increase the number of members of the legislature.

Too much government and too many laws is one of the troubles of Canada to-day. For a population no greater than the State of New York, we have a federal government and nine provincial legislatures. There is too much machinery and it takes too much oiling to keep the wheels moving.

APPARENT CHANGE IN ATTITUDE OF KING GOVERNMENT

(Continued from page 1)

Ontario, outside of Ottawa, was there so large a gathering of cabinet ministres on the platform, and the hint thrown out by Hon. Mr. Lapointe, the Quebec leader, in his address which preceded that of the Prime Minister. The preliminaries bore a strong resemblance to the occasion when Mr. Fielding announced his British preference. They were evidently designed to appeal to the average Conservative and business vote. Mr. King was greeted by the largest audience he ever addressed in Toronto. He made an excellent speech, created a good impression and undoubtedly strengthened himself in the city from which he has no parliamentary support. It was a marked contrast to election night in 1911 when the members of the York Club and their friends assembled to hear the returns. Conservatives and Liberals were there in force. They each respected the others' feelings and no applause greeted the election or defeat of any candidate until the defeat in Waterloo of young Mr. King coming through from Berlin was too much for even the Liberals, who cheered it as heartily as did the Conservatives. It was the only applause of the whole evening.

Mr. King's chief constructive pronouncement was that there would be no further important tariff changes until they had seen the results of those already in force. His next, the appointment of a commission to settle the whole railway rates question, and last, a hint at a more friendly attitude to Imperial Trade and the British Empire. He recognized the need for national unity and also dealt with increasing immigration, but the public have been jacked up so many times by promises that his reference excited no interest. He gave no assurance of national economies and tax reductions. He insisted that they had gone the limit in that direction, oblivious to the fact, for example, that to date the loss on the actual running expenses of the government marine has been $60,000,000 and that it took all of last year's national income taxes and many millions more to pay this waste. The government ships are in the Combine, seek cargoes in foreign parts and give Canadian shippers no advantage. His tariff announcement comes as a great relief after the threats of his ministers of further and greater reductions this year to be continued until every vestige was wiped out. While no one feared that the government would go to the extreme, labor and capital regarded the situation with uncertainty. Labor migrated and capital went into the surer government bonds. It is not unlikely there will be some increases—the Australian treaty would make this necessary. The country feels that a fair adjustment of transportation rates is advisable and the central provinces have always been wiling to pay a higher proportion, but the feeling is that the first step in lower rates is to cut waste such as the operation of two or four lines where one or two would do.

While Mr. King's critics express doubt as to the sincerity of the change of policy on the part of the government, the address has had undoubtedly a steadying effect on the whole industrial situation. Mr. King, is regarded, rightly or wrongly, as fickle and lacking courage and leadership, more a politician than a statesman and unduly friendly to United States interests when these conflict with Canadian or British. Past experiences are quoted as evidence of this, but urgent and uncontrollable conditions rather than policies may be responsible for his alleged shortcomings and business is now inclined to forget these and give him a fair chance to make good as a Canadian and a statesman.

PULLED CLAWS OF SALE OF SHARES ACT

This Facilitated Work of Hearst Music Proposition in Manitoba

WINNIPEG.—The province is quite agitated over the Hearst music stock-selling swindle, and an effort to place the blame for allowing the proposition to be put over is being made.

Hon. D. L. McLeod, public utilities commissioner for Manitoba, sets forth the proceedings leading up to the formation of the Hearst Music Company, the refusal of the then public utilities commissioner (Mr. Macdonald) to grant a license to sell stock, the request of the company for an appeal board, the granting of the appeal board which upset Mr. Macdonald's decision, the revoking of the company's charter by Mr. McLeod in December, 1923, and the action of the Hearst promoters in obtaining a Dominion charter which enabled them, Mr. McLeod states, to ignore all requirements of provincial legislation.

Mr. McLeod points out that during his tenure of office he did everything within his legal power to curb the operations of the Hearst company, and that the responsibility for what has happened rests elsewhere.

Not a little criticism is being voiced in the press and by the public, of the members of the legislation who pulled the claws of the Sale of Shares measure after it was placed on the statute books. There are many who are opposed to the law altogether, but argue that in so long as it is allowed to remain on the statute books it should have been made as strong as possible. Once interfered with it was nothing but an aid to the sale of questionable securities, not a hindrance.

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UNION BANK OF CANADA COMPLETES SUCCESSFUL YEAR IN STRONG LIQUID POSITION

Sixtieth Annual Report Shows Further Increase in Percentage of Liquid Resources.

The Sixtieth Annual Meeting of the Shareholders of the Union Bank of Canada was held at the Head Office in Winnipeg, at twelve o'clock noon on Tuesday, January 13th, 1925.

The attendance was large and representative. On motion of Mr. R. T. Riley, the Vice-President, Mr. M. Bull took the Chair. The Chairman requested Mr. W. L. Thorp to act as Secretary of the Meeting, and Messrs. J. Persse and J. Woodman to act as scrutineers,—approved.

DIRECTORS' REPORT

The Directors have pleasure in presenting their Report, showing the result of the business of the Bank for the year ended November thirtieth, nineteen hundred and twenty-four. During the year three branches were opened and eighteen branches and agencies were closed. The number of branches and agencies in operation at the close of business on November 30th, 1924, was 329.

The number of staff employed at the close of business on November 30th, 1924, was 1,811. The usual inspection of all branches and agencies has been made.

It is with deepest regret that the Directors have to record the death of the Honorary President, Sir William Price, to which special reference will be made in the President's address. The vacancy on the Board has been filled by the election of Mr. J. H. Price, President of Messrs. Price Brothers and Company, Limited, of Quebec.

W. R. ALLAN, President.

Winnipeg, January 13th, 1925.

PROFIT AND LOSS ACCOUNT

Balance at credit of account, 30th Nov., 1923		$ 317,074.73
Net profits for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making full provision for all bad and doubtful debts, have amounted to		911,942.15
		$1,229,016.88
Which has been applied as follows:		
Dividend No. 148, 2%, paid 1st. March, 1924	$	160,000.00
Dividend No. 149, 2%, paid 2nd June, 1924		160,000.00
Dividend No. 150, 2%, paid 1st September, 1924		160,000.00
Dividend No. 151, 2%, payable 1st Dec., 1924		160,000.00
Written off Bank Premises		25,000.00
Contribution to Officers' Pension Fund		10,000.00
Dom. Govt. Taxes paid on Bank Note Circulation, and Reserve for Income Tax		134,581.94
Reserved for Contingencies		100,000.00
Balance of Profits carried forward		319,434.94
		$1,229,016.88

60th Annual Statement of Liabilities and Assets

As of 29th November, 1924

ASSETS

Gold and Silver Coin	$1,117,033.42	
Dominion Government Notes	8,944,142.00	
		$10,061,175.42
Deposit with the Minister of Finance for the purposes of the Circulation Fund		420,000.00
Deposit in the Central Gold Reserves		2,200,000.00
Notes of other Banks		789,290.00
United States and other Foreign Currencies		99,988.31
Cheques on other Banks		4,559,189.82
Balances due by other Banks in Canada		87,929.99
Balances due by Banks and Banking Correspondents elsewhere than in Canada		2,006,340.44
Dominion and Provincial Government Securities not exceeding market value		14,183,763.04
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value		7,523,649.46
Railway and other Bonds, Debentures, and Stocks not exceeding market value		3,085,630.84
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		12,585,210.53
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover		25,932.66
		$ 57,628,100.51
Loans to Governments and Municipalities		4,289,105.64
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		47,667,585.49
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		1,250,814.79
Real Estate other than Bank Premises		562,613.67
Mortgages on Real Estate sold by the Bank		366,982.48
Non-Current Loans, estimated loss provided for		1,058,222.33
Bank Premises, at not more than cost, less amounts written off		2,163,932.55
Liabilities of customers under Letters of Credit, as per contra		3,428,708.25
Shares of, and loans to, controlled companies		2,149,300.00
Other Assets not included in the foregoing		9,749.93
		$120,575,115.64

Note—Included in Call and Short Loans in Canada are Loans secured by grain amounting to $11,434,626.92.

Note—Bonds of the Canadian Realty Corporation, Ltd., to the extent of $2,450,000, secured on premises, leased to the Bank, are in the hands of the Public. These Bonds do not appear in the above Statement, as the Bank is not directly liable therefor.

LIABILITIES

Capital Stock		$ 8,000,000.00
Rest Account	$ 1,750,000.00	
Balance of Profit and Loss Account carried forward	319,434.94	
	$2,069,434.94	
Unclaimed Dividends	4,935.98	
Div. No. 151, payable 1st. Dec., 1924	160,000.00	
		2,234,370.92
		$ 10,234,370.92
Notes of the Bank in Circulation	$10,144,535.00	
Deposits not bearing interest	25,287,812.37	
Deposits bearing interest, including interest accrued to date of Statement	66,987,204.15	
Balances due to other Banks in Canada	450,591.06	
Balances due to Banks and Banking Correspondents in the U. Kingdom & Foreign Countries	4,040,193.39	
		106,910,335.97
Letters of Credit outstanding		3,428,708.25
Liabilities not included in the foregoing		1,700.50
		$120,575,115.64

AUDITORS' REPORT TO THE SHAREHOLDERS

We have compared the above Statement of Liabilities and Assets with the Books and Accounts at Head Office and with the certified returns from the Branches.

We have verified the securities representing the investments of the Bank at the close of the financial year, when we also checked the cash at the Chief Office. During the year we checked the cash and verified the securities at several of the principal Branches.

We report that we have obtained all the information and explanations which we have required; that all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank; and that the above Statement of Liabilities and Assets as at 29th November, 1924, is, in our opinion, properly drawn up so as to disclose the true condition of the bank, according to the best of our information and the explanations given to us, and as shown by the Books of the Bank.

E. S. READ, of GEORGE A. TOUCHE & Co.,
A. B. BRODIE, of PRICE, WATERHOUSE & Co.,
} Auditors.
Winnipeg, 23rd December, 1924.

W. R. ALLAN, President.
J. W. HAMILTON, General Manager.

The Vice-president, Mr. M. Bull, said: The reason I am reading the address of the President, Mr. W. R. Allan, is because, owing to the passing away of Mrs. Allan yesterday, he is unable to be present. Knowing as we do the bonds of deep affection which united Mr. and Mrs. Allan, we extend to our President our deepest sympathy in his hour of bereavement. I will now read Mr. Allan's address:

President's Address

To the Shareholders of the Union Bank of Canada

We meet again for the transaction of our important annual business (and I may say that this is the Sixtieth Annual Meeting of this Bank) under circumstances which, in relation to business, are both cheering and encouraging. Conditions have proceeded slowly but steadily towards a marked improvement and there was nothing to becloud our horizon until there happened that tragic personal loss which bowed our heads and touched our hearts with poignant grief. You all know of the death in October last of our Honorary President, Sir William Price. Every person within the sound of my voice and great numbers of our shareholders throughout this continent and in England knew him well. They had felt the charm of his personality and they knew his high character, excellent business judgment and striking initiative and courage. We feel that we have lost an intimate and proven friend, an able and sagacious counsellor, and one for whom each one of us had a deep and lasting affection.

The activities of the late Sir William in the development and progress of Canada were most varied and distinctly unselfish. He gave freely of his time and means to all these ends. In charitable works he was particularly generous of financial support, and personal participation. He had a deep interest in public questions and took his share of the duty that falls on good citizens to enter into the national councils when the country calls. The very highest and indeed enthusiastic patriotism characterized him. His activities in the Great War are worthy of special comment. His remarkable efforts were commended by the Press of the entire Dominion and all agreed that the Knighthood bestowed on him in January, 1915, was well deserved.

Sir William, who succeeded his uncle on the Board of this Bank, had been a Director for over a quarter of a century and Honorary President since 1912. His whole-hearted interest in and service to it throughout all these years was one of the very highest order and it seems to me we shall not look upon his like again. We have, however, no small compensation in the fact which it gives me pleasure to again announce, that Mr. John H. Price, eldest son of Sir William, has accepted our invitation to fill the vacancy on our Board, and so we have the advantage of being able to retain that very desirable family and business connection which has existed for upwards of fifty years.

We feel confident that Mr. John H. Price will prove a valuable acquisition to the Board of the Bank and will worthily uphold the traditions of those of his line who have preceded him, and we look forward to the benefit of the advice and assistance of a young man who has already given assurance of superior business capacity and sterling worth.

As I leave this subject to proceed to the usual business discussions I do so in the knowledge that the Shareholders, Directors and Officers of the Union Bank will always honor and revere the memory of Sir William Price.

General

To come now to the considerations pertaining to banking in Canada: The General Manager will, as usual, address you on the details of our Balance Sheet and other matters, but concerning the Balance Sheet I have just this to say: The year's operations have been quite satisfactory to your Directors, and you will observe that before declaring the profit of $911,942.15 as shown in the statement now in your hands, we have made full provision for all bad and doubtful debts, (indeed in the opinion of your Directors and Auditors very liberal provision) and you will further observe that out of the profits we have set aside the sum of $100,000 as a "reserve for contingencies." We feel that in spite of the very liberal provision to which I have already referred it is only wise to set aside this further amount of $100,000 for at present unforeseen contingencies, and I know you will approve of it as sound and prudent course under the business circumstances of the day.

The question has been raised in some quarters as to the ability of the moderate sized banks to make satisfactory earnings in competition with the larger institutions and it is gratifying to be able to show you as the result of this year's operations a comfortable margin over and above our requirements.

Canadian Conditions

Now to refer to conditions in Canada generally, it gives me satisfaction to be able to say that while there is still much to be hoped for the year does show substantial progress and there are indications of further advance on the road to economic improvement. That this is so in view of some of the adverse conditions which are to be mentioned is a matter of congratulation. It affords striking proof of Canada's inherent soundness, of which its citizens are so confident, and gives evidence of the prosperity that should await this land of natural richness.

The Lumber Industry has maintained a good position throughout the year and has proved a valuable contributor to our volume of exports.

The Pulp Wood market has not been entirely satisfactory and the same remark applies to pulp.

Dairy products have more than held their own and it is clear that there has been a great increase in that very valuable and reliable sphere of production.

Of cattle marketing a satisfactory picture cannot be presented. Canada is a country with an immense grazing area and feed production and is capable of producing an untold number of good animals. Such products should naturally go to the nearest market and exclusion from that market is one of our greatest deprivations. Entrance to the British market only very partially balances this. This is a subject of national importance and cannot be too strongly urged upon our governments. It should be made one of prime importance in international negotiations. It should not be necessary to argue what is palpable, nor is it fitting in this place to meet arguments as to protection elsewhere, but relief there should be and that soon unless one of our most fundamental industries is to be allowed to decay. It is fortunate that access to the British market has afforded some relief and that branch of the trade has been satisfactory during 1924. Canadian cattle in Glasgow, Liverpool and Manchester have all sold readily at prices never before known to the trade. Canadian steers have more than held their own in competition with Irish steers. On account of the vast number of cattle slaughtered in England, Ireland and Scotland for foot and mouth disease there is likely to be a good demand for some years to come for the right type of cattle from us and it would seem as though there were room for much development in this trade.

Farm Production

It is pleasing to note that otherwise farm production, that is the products of the soil of Ontario, Quebec and the Eastern Provinces, has been satisfactory and profitable this year. In Western Canada there was promise of a good grain crop but, unfortunately, in certain sections, it did not come to fruition. We see this year some areas of disappointment, but on the other hand large areas have more than fulfilled the highest hopes, and with the immensity of country now under cultivation in the three Prairie Provinces, with the varied fertility of soil and climate perhaps it is too much to expect a uniformly good crop, but we can surely take comfort in the thought that we are not likely to have a uniformly poor one. Cost of harvesting was this year much less burdensome than in previous recent years. Prices have advanced rapidly and the result has been, in great part, a decided improvement in the farmer's condition. This Bank, I am glad to say, has profited therefrom greatly in recovery of loans and from the grain business handled through our branches.

It is to be regretted that our Coal Mining Industry has not been satisfactory during the year. This has been largely due, in the West at all events, to labor trouble. In the East the condition is due to lack of demand. In a country so dependent on fuel, coal production, transportation and marketing call urgently for immediate attention. It is essential to the economic welfare of Canada that means or processes be devised whereby this country, so rich in certain coals, should save the huge annual outgoing therefor.

Manufacturing

In dealing with the subject of production in Canada of prime importance is the position of our manufactures. Our factories of many kinds report very slack demand. This is a regrettable condition as it has its effect on our industrial population besides reflecting in its turn on retail business. This affects Eastern Canada most directly, but in its result the whole Dominion is concerned. It is to be hoped that by strengthened buying power or by immigration or other economic alleviation our manufacturers may soon find their natural Canadian markets more profitable for them.

A source of revenue, apparently increasing year by year, and one which gives us national pride as well as profit, is the business that arises from Tourist traffic from other lands. Canadians are themselves learning from this to appreciate the grandeur of their country and its fascinating rivers, lakes and mountains. The movement of our own citizens as tourists within our own borders ought to be encouraged as a means of bringing about that mutual confidence and esteem between those of distant parts of Canada which will do so much to develop a national cohesion and respect.

Immigration

It is a matter of satisfaction that there are assurances of an intensified colonization policy and that some considerable immigration of desirable agricultural settlers is in actual contemplation. It is to be earnestly hoped that there will be no hesitation about such a policy nor unnecessary official obstacles thereto. The introduction of a great mass of farm immigrants is one of the vital needs of Canada just now.

To make sure of better conditions there should also be a removal of the unsettling controversies regarding railway rates. Transportation as an important element in marketing cost, is of much significance. Equality and freedom from discrimination, both as to classes and localities, are essential. Certainty should be attained at the earliest possible moment as the experiences through which we are passing are most disturbing and are a distinctly injurious influence upon all classes of business.

Taxation in Canada requires anxious thought. Federal and Municipal taxes, with, in some cases, Provincial additions, have become so onerous as to stifle business and discourage effort. The total taxes paid by this Bank in the past year amounted to $441,497.77. It is to be noted that for this reason and in these circumstances it is only natural that great caution will be observed by banks in declaring profits. That might as well be frankly stated.

Notwithstanding these burdensome levies which cut into us so heavily, the year has been for us a satisfactory one. That is something to be proud of when one considers the present shrunken monetary condition and the adverse factors with which Banks have had to contend. Aside from the general shrinkage there has been deflection of funds, ordinarily available to Banks for commercial purposes, into government savings institutions and into various bond investments which have shown much activity recently. This, of course, is a handicap to commercial activity.

Foreign Trade

In the light of world-wide conditions our Foreign Trade seems to be about all that could be looked for. A satisfactory feature is the decrease in our importation of goods from abroad and the fact that our exports show an increase over the previous year. Our imports from the United States have declined nearly twelve per cent. and our exports to the United States have increased about three per cent.

I wish to pay tribute to the very excellent work done by the London Committee of this Bank under the able Chairmanship of Sir Austin Harris. With deep regret I have to inform you that owing to the great press of his duties as Deputy Chairman of Lloyds' Bank and to a not too robust condition of health, Sir Austin Harris has intimated to us a desire that he should be relieved within the next few months of his duties as Chairman of our London Committee. I cannot pay too high a tribute to the valued assistance he has been to us, and while we have most regretfully felt it necessary to fall in with his wishes, we are happy and fortunate in that we have been able to arrange with Mr. Henry Bell, late General Manager of Lloyds' Bank and now Great Britain's representative on the Dawes Committee, to take Sir Austin's place. Mr. Bell is one of the outstanding British Bankers and will be a great strength to us in London.

To our Vancouver Advisory Committee also I wish to convey the heartfelt thanks of the Board for the close attention given to the Bank's affairs.

Confidence in Future

As to the future, I have no hesitation in saying that we look forward with confidence. We believe we have in the Union Bank an organization which is capable of filling an important part in the financial structure of the Dominion of Canada. We believe that Canada will prosper, and if Canada prospers this Bank will prosper, but neither the country nor any of its institutions can attain the desired end without hard work and economy, and I believe that one of the signs of returning prosperity is the fact that we are learning, as a people, to economise.

General Manager's Address

Mr. Chairman, Ladies and Gentlemen:

It is my pleasure to present to you today the Sixtieth Annual Statement of the Bank, which, in view of business conditions generally, will, we are sure, be received by you with satisfaction.

The outlook of a year ago for trade revival has not materialized, and although a marked improvement has recently taken place in agricultural prices, the stimulus of increased purchasing power has not yet been progressively felt by our manufacturers and merchants.

Nevertheless, the Balance Sheet now in your hands shows the Bank to be in an unusually strong position, both in respect to the liquidity of its resources and the increased ratio of its reserves.

With your permission, I will briefly explain the figures.

The first item of our liabilities, our Notes in circulation $10,144,535.00, is slightly less by $213,115.00 than a year ago. The amount in excess of our Paid-up Capital is covered by a deposit of $2,200,000.00 in the Central Gold Reserves.

Deposits

Some decrease in deposits was to be expected under the conditions which existed during the year. Total deposits are $92,278,016, compared with $95,621,250 a year ago. In common with the experience of other Banks, our current account balances have been considerably lower during the year and show a decline of $2,834,298. Savings deposits stand at $52,017,573, and show little change.

We are still in competition with two Provincial Governments for deposits. I cannot too strongly emphasize the unsound public policy involved in this locking up of credit against commercial use. Moreover, with the prevailing ease in the money market such deposits are undoubtedly costing the people of the Provinces more than Treasury Loans would cost at current rates. As evidence of this, the Province of Ontario recently reduced the rate of interest paid to depositors.

From recent reports I believe that as the monetary proceeds of this year's crop become available, we may look for some expansion in our figures.

There has been a notable increase in our liabilities under Letters of Credit which now stand at $3,428,708, an increase over last year's figures of $2,098,715, indicating the growth in the acceptance method of financing due to lower re-discount rates in force by the Federal Reserve Banks. These acceptances are for the most part prime bills representing the recognized procedure in financing exports in New York and London, and are quite undoubted. The compensating amount representing our customers' liability, appears on the other side of the Statement.

Investments

Turning to the Assets side of the Balance Sheet, the first line of defense against our liabilities is our Cash Reserve of coin and Dominion Notes, which stands at $10,061,175.42. This is 9.41 per cent. of our public liabilities, and is more that ¾ of 1 per cent. higher than a year ago. Balances with and cheques in course of collection on other Banks are $6,653,460.25, which show little change. Our deposits in the Central Gold Reserve of $2,200,000 are slightly less owing to the lower circulation requirements. There has been some reduction in the amount of our investments, which stand at $24,793,043.34, against $26,735,988.26 in the previous Balance Sheet. This is accounted for primarily by the retirement by the Dominion Government of maturing Treasury Bills held by the Banks, a transaction which eliminated by refunding the last remaining floating debt in Canada of the war period.

The next item consists of Call and Short Loans, which stands at $12,611,143.19, a large increase over last year. This is due to the inclusion this year under this heading of advances against Grain of $11,434,626, which before were separately stated. Although heavier on this date by $2,027,155, we have so far carried our seasonal grain loans this year without availing ourselves of advances under the Finance Act, which item you will note does not appear amongst our liabilities, as compared with last year's figures of $8,100,000 under that heading.

The total of the liquid assets is $57,628,100.51, representing 52.15 per cent. of our liabilities to the public. This is one of the strongest positions in this respect in our history. With ample liquid reserves we are thus in an extremely favorable position to meet the increased demands of trade as conditions improve.

Loans

Current loans in Canada aggregate $51,956,691, which is a marked decline of $8,751,788 from last year, due to the reduction of $2,930,424 in advances to Provincial Governments and Municipalities, and the balance to the sub-normal demand for money for commercial purposes. Our current loans have declined 12 per cent., while current loans in Canada of all Banks show a decrease for the twelve months of about 8 per cent. This contraction reflects the prevailing inactivity. Although a contrary impression often exists, there is the closest interdependence between trading and banking interests, and neither can prosper for any length of time unless the other prospers also.

Profit and Loss Account

The contraction in current loans and lower rates of interest on other earning Assets have resulted in lower profits than those of a year ago. Full provision having been made for all Bad and Doubtful Debts, you will see that our net earnings for the twelve months amounted to $911,942.15, a reduction of $121,490 from the previous year.

Together with the amount brought forward from the preceding year, we have a total of $1,229,016.88 for allocation, of which the dividend at the rate of 8 per cent. absorbs $640,000. Out of the balance $10,000 has been contributed to the Officers' Pension Fund, $25,000 written off Bank Premises Account to provide for capital depreciation on premises occupied by Branches which have been closed, $134,581 set aside to provide for Dominion Government Taxes, and $100,000 reserved for contingencies. This leaves a slightly increased balance of $319,434.94 to be carried forward into the current year.

The continued reduction in expenses is in line with the policy of efficiency and economy to which we have been devoting ourselves. Our overhead expenses, however, in common with other Banking institutions, remain at a high level in proportion to gross profits. A very considerable portion of our charges consists of salaries and in these days when the cost of living has ceased to fall and indeed is even slightly increasing, it is not feasible to make great reductions and at the same time to maintain efficiency.

During the past year we have closed in all 17 Branches, largely in exchange with other Banks, in districts where there was not sufficient business to support the banking facilities provided.

The number of Branches and Agencies in operation at the close of business on 30th November, 1924, was 329.

As a Bank our progress and prosperity are bound up with the general state of agriculture, trade and industry. It is, therefore, appropriate that I should say a few words on the present position and future outlook.

While, as before stated, the past year has not witnessed the trade revival which has been so anxiously awaited, yet it has not been without events of distinct and tangible encouragement.

One of the greatest drawbacks to stable conditions in this country since 1920 has been the unbalanced relations between agriculture and the other industries. The abnormal world wheat crop of 1923 was followed by a subnormal world crop in 1924, but the pronounced advance in grain prices during the past six months has removed some of the disparity between the prices of farm products and the general price level.

Western Crops and Agriculture

The vicissitudes through which this year's crops have passed is reflected in the widely varying estimates issued during the season. The western crop started well, but a series of misfortunes reduced it to average dimensions, the total yield falling far short of last year's high figures.

The revised estimates place the acreage and yield of the principal grains as follows:

	Acres	Bushels
Wheat	19,224,900	247,146,000
Oats	9,705,600	289,11[illegible],000
Barley	2,023,000	52,85[illegible]
Rye	537,800	6,22[illegible]
Flax	747,300	7,5[illegible]

Despite the unevenness of the crops in the middle west, the steady rise in prices should make the 1924 crop even more profitable than the record crop of the previous season.

As I emphasized last year, the causes of agricultural depression were predominantly economic, and it is pleasing to note that relief has come through the operation of natural economic law. Already there is a much better feeling in business circles throughout the regions in which agriculture is the leading interest.

World Conditions

Next to the improvement in that direction our greatest encouragement is the progress towards political and economic stability in Europe. The ratification during the year of the commonly called Dawes Plan providing for German financial and currency stabilization by means of an internationally controlled gold reserve bank of issue represents the first effort to solve the vexed reparations problem on a purely commercial and economic basis. We must not forget that reconstruction there will be gradual. Previous disappointment probably justifies caution against too great optimism, but dependent as we are on export trade, there is no branch of our business life that can fail to be stimulated by a revival of European prosperity with broader and more stabilized markets and more settled exchange rates.

Canada's balance of trade continues to be favorable. For the twelve months ended August the favorable balance was $228,000,000.00, as against $127,000,000.00 for the previous year. Exports for the six months ended September, 1924, were valued at $482,000,000.00, compared with $454,000,000.00 in the same period of the preceding year, while imports were $397,000,000.00, compared with $464,000,000.00. To this marked improvement is due the return of the Canadian dollar to par, although of course the movement of United States capital to Canada for investment is a contributing factor.

Our foreign trade in commodities shows a strong and substantial growth in recent years. Canadian exports for the fiscal year ended March, 1924, totalled $1,045,141,056.00, as against $355,754,600.00 in 1913, an analysis revealing marked increases in the volume of exports to practically every European country even when the difference in the price level is corrected.

Cost of Government

The greatest need of the country is a reduction in the cost of government. With a national debt which still, notwithstanding reductions, amounts to over $2,410,000,000.00 on 30th November last, with the annual cost of Federal Government, including railway deficits, in excess of $400,000,000.00, and that of Provincial Governments adding a further substantial sum, resulting in an annual exaction of well over $100.00 from each inhabitant for the maintenance of government in its various forms, a rigid economy in public expenditure can do more to remedy the economic ills of this country than anything else.

Taxation in this country has reached the point of oppression. It has become more than a problem; it is a menace. There must be a stern facing of econ-

omic fact on the part of governments and the application of administrative surgery in order to reduce the burden of taxation and relieve business of some of the handicaps under which trade is at present languishing.

This Canada of ours is a land rich in natural resources and opportunity. We have the utmost confidence as to its future if we but listen to the call to practise the cardinal virtues of economy and strenuous effort.

There is one matter, delicate in nature but still of great importance, to which I would like to refer, and that is the feeling in the minds of those of our people residing east and west of the Great Lakes towards each other.

United Effort

Visiting as I do both sections of the country from time to time, I have been happy to observe a growing sympathy with each other's problems and a keen desire to co-operate in their solution. This attitude must grow stronger if this country is to be welded into one of united effort.

The question is often asked by observers of the trend of events as to whether the smaller, or perhaps more properly described moderate-sized Banks, are to retain their own corporate existence, or must further mergers take place until we have in this country five or six large Banks.

There seems to be no really good reason why the present Banks in Canada cannot continue to fill a useful place and prosper on the volume of business which they are able to maintain.

If this is the right view, realization of it by the public will soon remove any necessity for further consolidation of Canadian Banks.

We do not regard the Union Bank of Canada, with its substantial equipment of Branches east and west, as one of the smaller Banks, and we believe we have a goodwill which constitutes a valuable asset.

Satisfactory Earnings

The financial statement presented to you to-day shows ample protection for shareholders and depositors and our earnings are satisfactory. With the return of normal times, your Bank should continue to grow and render a perfectly satisfactory service to those who favor it with their patronage.

The staff of the Bank now numbers, 1,811 compared with 1,938 the previous year. During the past year the qualities of loyalty, application to duty and service to the public have been tested to an unusual degree, and I am particularly happy at this time to be able to testify to the maintenance of those high qualities by all the employees of this Bank.

Before I sit down I wish to refer to the loss which the Bank has sustained during the year by the death of Sir William Price, the Honorary President. He was a school-mate of mine, and on an occasion like this, when the deep sense of personal loss is uppermost in our minds, our thoughts naturally dwell upon the great qualities of the man himself rather than the important services which mark his long association with this Institution. Those who knew him best loved him most. Generous and affectionate himself, he won the affection of others in a very special degree. In the discharge of all his duties he evinced qualities of sound judgment, of rare sagacity, and of strict integrity. His tragic death has left the country at large with a sense of bereavement. It is too soon yet to appreciate our loss. We can but express our profound sympathy with those who were nearer and dearer to him.

General Proceedings

Mr. M. Bull moved, seconded by Mr. R. T. Riley, that the Report be adopted and that it be printed for distribution among the Shareholders.

It was then moved by Mr. W. J. Christie, seconded by Mr. A. Hitchcock, that Mr. E. S. Read, C.A., of the firm of Messrs. George A. Touche & Company, and Mr. A. B. Brodie, of the firm of Messrs. Price, Waterhouse & Company, be appointed auditors for the ensuing year.

It was then moved by Mr. J. S. Hough, seconded by Mr. L. J. Elliott, that a sum not exceeding twelve thousand dollars be set aside by the Directors for the remuneration of the auditors, to be apportioned by them as may be deemed advisable. (Carried.)

It was then moved by Mr. G. H. Balfour, seconded by Mr. J. B. Waddell, that Mr. W. R. Allan, or failing him, Mr. M. Bull, or failing them, Mr. R. T. Riley, be appointed to vote on behalf of the Bank in connection with Companies which it controls. (Carried.)

It was then moved by Mr. R. T. Riley, seconded by Mr. J. S. Hough, K.C., that the Meeting proceed to the election of Directors for the ensuing year, and that the ballot for the receipt of votes be kept open until 1.45, or until five minutes have elapsed without a vote being offered during which time proceedings be suspended.

The ballot having been cast, the scrutineers subsequently reported that the following had been elected Directors for the year ending November 30th, 1925: Messrs. W. R. Allan, G. H. Balfour, G. M. Black, Hume Blake, M. Bull, B. B. Cronyn, E. L. Drewery, John Galt, S. Haas, A. Hitchcock, J. S. Hough, K.C.; F. E. Kenaston, W. H. Malkin, R. O. McCullough, John H. Price, R. T. Riley, H. T. Robson, K.C.; William Shaw, Geo. H. Thomson and J. B. Waddell.

It was then moved by Mr. M. J. McLeod, seconded by L. J. Elliott, that the thanks of the shareholders be tendered to the President, the Vice-Presidents and Directors of the Bank for their valued services during the year.

Mr. W. H. Malkin replied to the Motion.

It was moved by Mr. John Galt, seconded by Mr. J. A. Banfield, that the thanks of the shareholders be tendered to the General Manager, Assistant General Managers, Superintendents, Inspectors, Managers and other officers of the Bank for their efficient services during the past year.

Mr. Geo. Wilson, Mr. R. Y. Baird, Assistant General Managers, responded on behalf of the staff. The Meeting then adjourned.

W. L. Thorp, Secretary.

At a subsequent Meeting of the newly elected Board the following officers were elected:—Mr. W. R. Allan, President; Mr. G. H. Thomson, Mr. Stephen Haas and Mr. M. Bull, Vice-Presidents.

Building an Investment Account

By Roger K. Ballard, Manager Bond Dept., Illinois Merchants' Trust Co.

A Lecture on Fundamentals of Investment Under Auspices of Investment Bankers Association of America.

Perhaps there is no subject on which the American people are exhorted more continuously and more insistently than on that of saving a portion of their income. Even children are taught to save almost as early as they are forbidden to play with matches.

Every one of us can remember the admonitions of a parent or other sage adult to save the occasional penny that found its way into our hands, instead of exchanging it for title to a bag of questionable, though alluring, candy. The joy of living is shadowed for most of us by a sense of guilt because we are not accumulating more money from our income. I think the most depressing sophistry of all time is the wise saying that "A Penny Saved is a Penny Earned," and that other slogan of bright promise, "Take Care of the Pennies and the Dollars Will Take Care of Themselves." runs it a close second.

Parents, teachers, economists, newspapers, and savings banks appear to have formed a league with the sole purpose of taking the joy out of spending, and of holding the dread spectre of an impecunious old age before those who do not practise saving and self demal. And, of course, they are right in doing so. No one will question that thrift is a virtue in the individual or in the nation, but such is the perversity of human nature that almost everyone must be belabored before he will practise it.

There may be some exceptions to the general rule that everyone should save money, but if so, they are few. Only the man who is already so rich that money means nothing to him, or who is so old that what he has is certain to last out his days, can afford to neglect the principle of saving.

Saving is an unpopular sport; the reward seems too long postponed to compensate for the necessary present denial. But the man who insists on dissipating his entire income should take lessons in economics from the squirrel, who at least has enough common sense to store up provisions for his future comfort.

Doctrine of Systematic Saving

We all admit that we should save, yet few of us do, or at least not in proportion to our incomes. Some of us are genuinely uncertain as to how much we ought to save, and, of course, no universal rule can be established. Each case must be governed by circumstances.

A government bureau is, I am told, responsible for the statement that a thrifty man is one who saves 20c. out of every dollar, while a "tightwad" is one who saves 60c. Then, of course, there is the spendthrift at one extreme who saves nothing, and the miser at the other who saves everything. Each of us can decide for himself what classification he prefers, but the point is that everyone should adopt some definite program of saving and follow it religiously.

All this is an old story, but there is one more platitude I cannot avoid: Saving, to be effective, must be systematic. The account in which only desultory, haphazard deposits are made "when it is convenient" will fare but poorly. The amount to be saved weekly or monthly must be decided upon and must be an early charge against income. It must be set aside regularly and religiously. If this is done amazing results are assured, especially if the savings are wisely invested.

Saving merely as an abstract principle is unattractive to the average person. It must be motivated by some definite objective, such as the purchase of a home or of an automobile, or to send a son to college, or to accumulate a certain sum by a certain age. Savings banks have recognized this psychological fact by the introduction of Christmas Savings Clubs, Buy-a-Home Accounts, and the like in their efforts to popularize thrift. Given a motive, and the prospect of a definite, desired reward, and saving becomes an absorbing game. There are few greater pleasures than watching some long-wished-for end come nearer and nearer to attainment.

Now, as a motive for systematic saving, there is none more worth while nor more enticing than that of accumulating interest-bearing investments. The man who saves for even so commendable an end as the purchase of a home, achieves his purpose only by transferring his savings into another form of property which is non-productive, and, of course, the man who withdraws his savings for an automobile has not really been a saver at all; he has merely been accumulating for one deferred expenditure. That may be justifiable, yet it is not thrift, and it accomplishes no permanent good.

The systematic saving of money for investment in sound securities, however, grows miraculously by the thing it feeds on. I know of nothing in the world of finance more astounding than the rapidity with which money accumulates at compound interest. Likening that accumulation to a snowball rolling down hill is trite perhaps, but it is a simile that cannot be improved upon. Both in speed and volume it increases momentarily after once it is given a fair start.

Reinvested Interest Piles Up

The following examples of what happens to small amounts when subjected to the magic of this compounding of interest will perhaps prove interesting, and, I hope, sufficiently impressive to carry home my point, even though I admit they are a trifle bizarre.

Had the famous widow's mite (which we shall suppose to have been equivalent to our penny) been invested at 5 per cent. semi-annual interest when it was contributed some 1900 years ago, instead of being used for current needs of the Temple, it would to-day have amounted to a sum so large we have no words to express it—a sum tremendously greater than all the money in the world. It would have grown to $563,100,000,000,000,000,000,000,000.

Had it been possible to invest $1 at 5 per cent. interest compounded semi-annually, on that morning in September of 1066 when William the Conqueror landed in England and by defeating the Saxon army at Hastings changed the complexion of Anglo-Saxon history, that dollar would have become $3,485,077,000,000,000,000 by to-day. Sounds like a Man Jongg score, doesn't it?

Again, if Columbus had stopped to deposit $1 under a similar interest arrangement on Aug. 3, 1492, instead of occupying himself so completely with the task of discovering America, he would to-day have had $1,842,679,000 with which to buy eggs that he could stand on end to prove the world was round.

Or if someone had put aside $1 at the same rate on the opening day of the Bank of England in 1694, he would now have had a tidy credit of $85,702.60.

The first United States Bank, chartered by Act of Congress under the plan proposed by Alexander Hamilton, began business in 1791, only 133 years ago. In that relatively short time a dollar deposit unaided save by 5 per cent. interest compounded semi-annually, would have multiplied itself by 712. It would have a present value of $712.13.

Where the Joker Is

Perhaps each of you is secretly condemning your great, great grandfather for not having the forethought to put aside a thin dime at compound interest for your benefit, and you may have decided that you will make such an endowment for your own descendants so they may some day rise up and call you blessed, but the law prohibits this sure-fire method of accumulating all the money on earth for some future Croesus. It was largely to avoid this snowball accumulation of wealth by compound interest that the law of mortmain was developed during the Middle Ages, and to-day the alluring possibility of getting all the world's riches for your great grand-children's great grandchildren by a modest investment for their account to-day is prevented by the law prohibiting the creation of any estate which shall be held intact longer than 21 years beyond a life now in being.

In compound interest every investor has in his hands so potent a means for accumulating wealth that the law dare not give it free play. Everybody should be tumbling over himself to get such benefit from this magic money maker as he is allowed by law, yet 99 out of 1,000 are blind or indifferent to this one easy and sure road to affluence.

Now, of course, the illustrations given above are purposely fantastic, but consider for a moment what practical results may be accomplished in a few years by combining systematic saving with careful investment and the reinvestment of interest.

Saving Half a Million

The man who will regularly set aside a fairly substantial amount for investment, and will keep reinvesting the interest instead of diverting it to current uses, will have an estate quite astonishing in proportion to his annual savings before he realizes it. If a man saves $50 a month for 30 years he will have accumulated $18,000. If he has been banking it in a bag concealed at home, or in a safety deposit vault, he will have just $18,000—no more.

If, however, he has deposited it in a savings bank at 3 per cent. he will have $29,113.52, or if he has invested in 5 per cent. bonds, reinvesting the interest, he will own $41,608.82, and if the bonds have paid 6 per cent. interest instead of 5 per cent. he will be worth $50,227.67. This is on actual saving of only $18,000.

Not many of us expect to have half a million dollars when we are 65, but if at the age of 30 we could begin to invest $5,280 a year at 5 per cent. and keep the interest reinvested, we would have that sum. You see it is not necessary to depend on luck to become wealthy, for the ready effectiveness of compound interest makes consistent saving and investment attractive and puts a worthwhile goal in everyone's reach.

I have seen no table of figures which indicates so startlingly as the one below what an important part compounding of interest plays in the accumulation of wealth. It is another academic example, but just notice what happens by the mere increasing of interest rates. If $1 were invested for a period of 300 years at a specified rate of interest compounded semi-annually:

at 0% it would equal $	1.
2%	392.
3%	7,579.
5%	2,718,500.
6%	50,387,000.
7%	920 830,000.

Notice the difference between the 3 per cent. total, and that at 6 per cent., which a casual thinker might easily suppose would be approximately twice as large. So much for the discussion of what can be accomplished through investment and the reinvestment of investment.

Investment Requirements

You have already considered the various types and classes of bonds from which an investment account may be built. You have been familiarizing yourselves with investment materials, and are presumably ready to approach the task of using those materials and of choosing wisely among them to build an harmonious and substantial financial structure.

It is not enough that a bond man—or for that matter an investor—should merely understand bonds and be able to judge intelligently the merits or demerits of a given issue. A man might be an authority on qualities in brick, in stone, in wood, in cement, or in plaster, yet not know how to combine them appropriately in the construction of a building. What atrocities of design and plan would result if a bricklayer, or a stone mason, or a plasterer undertook to erect a cathedral, unguided by an architect who could direct the proper selection and disposition of materials.

Yet they would be no greater atrocities than we see when an investment account is built up in haphazard fashion by someone who has no idea of the proper correlation of securities—who has no conception of plan or arrangement—who has no vision of the financial structure he is hoping to create. Nothing on earth calls for more delicate perception, more thoughtful consideration or a greater nicety of selection, than the expert handling of an investment account—(even apart from judging the merits of the bonds themselves).

What is the right bond for one buyer may be the worst possible selection for another, and what would be an improper bond for a man today may be a wise investment for the same man at another time. The prescription of medicine requires no more skillful diagnosis than does the intelligent selection of bonds. Many people buy a bond, or bonds, simply when and because they have the money available, and with no regard as to how their selections fit into the half completed building. Too often an investor buys a wagon load of brick (to follow the building analogy) when a financial architect would know that cut stone was the only proper material to use.

In buying bonds you buy other qualities than just the presumed safety of your money. That is the first and most important element for consideration and you must determine just what degree of security the contemplated investment requires. But there are other desirable features existing in varying degree in all bonds, and you must decide what degree of each is desirable. Rate of return, marketability, tax exemption, chance of profit, stability of price, acceptability for collateral, desirability from the standpoint of maturity—all these and perhaps other qualities determine the market value of your bond.

They are features you must pay for, and you will pay for each in proportion to the degree in which it exists in the security under consideration. Naturally, you do not care to buy and pay for some investment feature you do not want any more than you care to pay an extra price for balloon tires or 4-wheel brakes if you prefer an automobile without them.

You will not use bonds that comprise qualities which are valuable in themselves but useless for your particular purpose any more than a builder would use mahogany timbers for studding. That would be wasteful, so unless you are willing to waste money wantonly, you will carefully analyze your investment requirements—decide just which features mentioned above are of value to you and then try to find such bonds as combine only those characteristics, and each one only in such degree as you require.

Look for Safety First

By all odds, the most important decision confronting the investor is the degree of safety he should buy. He cannot get away from risk altogether, no matter what he does with his money, but neither should he try to buy any more protection than he needs.

A wealthy man can well afford to take a chance in the investment of $5,000 which would be unwarranted for a woman of moderate means. A person entirely dependent on the interest from his bonds requires a high degree of safety, while a young man of increasing earning capacity, without family obligations, is not wrong in preferring a low measure of security and taking instead a high rate of return. Unfortunately, it works out that those who most need a large income from their investments are those who can least afford to seek it. It is another case of "Unto him who hath shall be given."

Of course, everyone's effort should be to buy just enough investment security to assure the payment of interest and the return of principal. Anything beyond that degree of security represents a waste of investment capital and the excess must be charged up to poor judgment in buying or to the purchase of "peace of mind." If, being a civil engineer, you were asked to construct a bridge the greatest strain on which would be, say, 1,000 tons, you would use enough steel to carry that load safely and perhaps a bit more, for insurance. But if you were so cautious, or so inexpert, that you used enough steel to carry a load of 2,000 tons, you would have wasted a great deal of material. Just so is it a waste of investment capital to buy more safety in a bond than just enough to carry the load. Some people must expend more than others in buying additional freedom from risk, but I firmly believe there is such a thing as a bond that is too safe for the ordinary person or purpose.

Getting a Good Yield

While obtaining that degree of security which the particular individual investment account requires should be the first concern, it is the rare exception when a prospective investor sincerely approaches the matter from that angle. He may say, or have in the back of his mind, that he wants something "absolutely safe," but even while he says it, he is scanning the list and lingering over the offerings of highest yield, hoping, against hope, perhaps, that he will see there that mirage in which alluring return and unquestioned security go hand in hand. Even those investors who constantly buy bonds of the better grades are drawn, and not always improperly, to the issues of highest yield within those grades.

Just as some people order a dinner by looking down the price column and forcing their palate to find something acceptable at a certain figure, so many investors approach their selections from the price, or income, angle and convince themselves that the security of some bond carrying an attractive rate is acceptable. This method of selection is all wrong, as it disregards the principle that the appropriate measure of safety should determine the decision.

There is nothing more difficult than to induce an investor to overcome his eagerness for a slightly higher return than he should have, and to induce him to buy those issues which afford just that degree of safety which cold analysis of his case indicates he requires.

Next to the rather universal desire for unquestioned safety coupled with more than commensurate yield, come the oft-repeated demand for marketability. Some degree of marketability should be sought always, but there is a tendency on the part of most buyers to over-emphasize its importance. A bank undoubtedly should insist that its investments be very liquid and an individual making a purely temporary investment is correct in buying only a readily saleable issue, but it is the exceptional investor who disposes of his bond holdings before maturity and who, therefore, needs a high degree of marketability.

The fact that a bond is instantaneously marketable indicates there is a constant demand for it and, as with any other commodity, the greater demand the higher the price. What most people need is merely the assurance of fair saleability and they are again in danger of paying a foolishly high price and of wasting their capital if they seek issues with wide and active markets.

Buy Different Maturities

Another point for the investor to have in mind is the selection of a maturity appropriate to his needs. We shall discuss maturity more fully under the topic of diversification, but I might make certain observations here. Banks, as a rule, prefer short-term securities, for they are less liable to price fluctuations than long-term bonds and they also afford the certainty of early liquidation. Insurance companies, on the other hand, are quite willing to take long-term bonds, for their is little probability that the investment will be disturbed before maturity. Individuals, too, with some exceptions, would rather buy fairly long-term issues, if acceptable ones are to be had, so that the matter can be disposed of for as long a time as possible.

Any type of buyer investing with a definite future need for his funds in mind would do well to select a maturity as close as possible to the date when he will need his money rather than to rely upon the saleability of long-term bonds at that time.

One of the most important matters to determine in building an investment account is the extent to which the owner is subject to taxation. The principal tax to consider in this connection is the Federal Income Tax. As you all know, this is a graduated tax which becomes very burdensome to persons of large income. It is a simple matter for anyone to determine whether he should buy taxable or tax-free issues, for tables are available showing clearly the net return from taxable bonds of different rates for peoples of different incomes.

If it appears that this net return is no better than could be had from tax-free bonds the logical course is to buy bonds of that description only. State income or personal property taxes may also have a bearing on what securities should be held; but these are so diverse that it is impracticable to give them consideration here other than to suggest that every investor should ascertain how bond investments are affected by the laws of the state in which he lives and govern his selections accordingly.

These, then, are the principal points to analyze in determining one's investment requirements; the degree of safety required, the degree of marketability necessary, the maturity suited to the circumstances and whether taxable or tax-free securities are the proper form of investment.

Practice of Diversification

The very last topic in the outline of this course is the very first that should have the attention of anyone who is actually making investments; that is, "The Theory and Practice of Diversification." I am told that Lawrence Chamberlain, author of the outstanding text book of the bond business, "Principles of Bond Investment," has remarked with regret that in that book he included no discussion whatever of this subject, and added that if he rewrites and modernizes the volume as he has been urged to do, an entire chapter will be devoted to this important topic.

That diversification, or spreading of risk is the first principle in investing money and quite essential if an investment account is to be built on a sound basis, seems so apparent as to require no discussion. But while the common sense of this theory is immediately evident, and no one will dispute its importance, there is no principle more commonly neglected, or more indifferently followed. If you could see, as I see almost daily, instances of investors who have put all, or a disproportionate amount of their funds into one issue, or into one type of issue, or into one locality, you would realize that the doctrine of diversification must be preached incessantly.

Spanish River Will Sell Employees Stock

Spanish River Pulp and Paper Co. has plans underway whereby it will be possible for employees of the company to purchase stock and thus become financially interested in the enterprise. Pres. G. H. Mead made this announcement to the employees at the company's annual dinner at The Soo.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

NEW ZEALAND.—The rate of duty on sugar of No. 22 color or over (Dutch standard), invert sugar and invert sirup imported into New Zealand has been reduced from £2 18s. 4d. per long ton to £2 6s. 8d. per long ton by an act of the New Zealand Parliament passed September 22, 1924, with effect from October 1. This new duty is equivalent to one-fourth pence per pound.

CANADA.—A drawback of 80 per cent. of the duties paid will be allowed on artificial silk tops and waste, artificial fibre silk and artificial silk yarns or filaments when imported into Canada for further manufacture during the year 1925. This drawback will be allowed, however, only when the import duty on the materials has been paid within a period of three years previous to their further manufacture, under regulations prescribed by the minister of customs.

OTTAWA.—A new regulation provides that when imported artificial silk tops and waste or artificial fibre silk, artificial silk yarns or filaments are further manufactured after January, 1925, and before January, 1926, there may be paid a drawback of eighty per cent. of the customs duties paid.

TRINIDAD.—A surtax of 7½ per cent. of the duty has been established in Trinidad on most imports, except food products, in order to cover the revenue deficit of the government.

AUSTRIA-HUNGARY.—The Austrian government has given notice of the cancellation of the contingent trade treaty between that country and Hungary, effective January 1, 1925. It is understood that this action has been brought about by the inequalities that have arisen since the enactment of the new Hungarian customs tariff which has, in effect, nullified some of the intended benefits to the Austrian government. This cancellation will lead the way to the negotiation of a broad commercial treaty between the two nations. It is expected that negotiations will be begun soon.

OTTAWA.—It is now ordered that dressed carcasses of cattle, sheep, swine or poultry from the United States may pass in transit through Canada in bond, without inspection or certification, provided they are in bonded sealed cars.

NEW ZEALAND.—For some time the question of a revision of the import duty on kraft paper has been under consideration and conferences have been held between the comptroller of customs and the interested parties in New Zealand. The present duty on kraft from Canada is 5s. per cwt. or 20 per cent. ad valorem, whichever rate yields the higher duty. The ad valorem duty has been found to apply almost entirely. Up to the present time, and pending the decision of the government with respect to an alteration in the duty, the value as stated by the shippers has been accepted. It has just been announced that all kraft from Canada entered for home consumption on or after January 1, 1925, will be assessed in the following manner, that is to say, the current domestic value, which is that at which the supplier would be prepared to supply to any purchaser for home consumption in the country of exportation, and at the date of exportation, identically similar goods in equal quantities. The value shown on the invoice is not necessarily accepted as the basis for levying duty; the New Zealand government through their official representative investigate the manufacturing costs and determine what is considered to be the actual current domestic value.

FRANCE.—Following is information received regarding a recent revision of the French customs duties on barley in the grain and barley flour. Barley in the grain, which was formerly dutiable at 6 francs per 100 kg. (220 lbs.), is now dutiable at 3 francs per 100 kg., and barley flour, formerly dutiable at 10 francs per 100 kg., is now dutiable at 5 francs per 100 kg. The change which has come about has been made by cancelling the co-efficient or multiplier 2 in each case. Duty is payable in paper francs, the present exchange value of which is between 5¼ and 5½ cents.

ESTHONIA.—The Esthonian press recently announced that the financial sub-committee of the National Assembly has decided to reduce the import duties on wheat, (item (1); footwear [item 57 (1) and ex (2)]; cotton fabrics [items 187 and 188 (1)]; and woolen fabrics not specified (item 199). These reductions are considerable, in the case of footwear the proposed rates being only half of those now in effect. The new rates have not yet been officially published.

ITALY.—A royal decree has abolished the import duties on wheat flour, semolina, and macaroni for an indefinite period, or until new measures are taken.

LATVIA.—The Latvian cabinet has decided to reduce the import duty on flour and malt from 0.36 lat to 0.21 lat per kilo. (It is understood that this reduction will not be effective until promulgated in the form of a law).

Ottawa.—The following regulations have been issued regarding labels and tickets in strips, imported into Canada:

Imported printed or lithographed matter such as seals, tickets or labels in strips, sheets or rolls intended to be used in single units exceeding one inch in diameter, or perforated or otherwise prepared for ready separation into such single units, are required to be marked with a satisfactory indication of the country of origin on each single unit.

Such printed matter in strips, sheets or rolls when consisting of not more than one hundred single units not exceeding one inch in diameter, may be marked with the required indication of the country of origin on each strip, sheet or roll.

PORTUGAL.—The importation of the following luxury articles into Portugal is prohibited by an order of the ministry of finance. Natural or artificial silk fabrics, silk, and cotton velvets, feathers, skins, whether for warmth or for adornment, and articles of clothing made of such materials; cheese, chocolate, confectionery, cakes, biscuits, and all kinds of preserved and prepared meat such as ham, sausages, and foie gras. This prohibition is established by virtue of a decree which authorizes the government to prohibit, restrict, or subject to conditions the importation into Portugal of merchandise which is not indispensable.

LITHUANIA.—According to unofficial reports, the Lithuanian government has substituted duties for restrictions upon the importation of flour and grain. The restrictions are reported to have been removed on October 15, 1924, and the following duties imposed: Grain, pulse, and potatoes, 0.20 lit per kilo, and flour, malt, and groats, 0.45 lit per kilo.

MINING MEN TO DINE MINISTER

Toronto branch of the Canadian Institute of Mining and Metallurgy will tender Hon. Chas. McCrea, Minister of Mines for Ontario, a dinner on Tuesday night next as recognition of his efficiency and enthusiasm in the service of the mining interests of the province.

EUROPE BECOMES LARGE EXPORTER OF AUTOMOBILES

Expands Export Trade by the Introduction of Mass Production

While the United States and Canada lead the world in the automobile industry by a wide margin, producing 90 per cent. of the world's total cars annually, and using 84 per cent., the reviving countries of Europe are creating a situation just a little disquieting to the American producers. Having adopted mass production, a number of the European manufacturers are now introducing the progressive-assembly plan, and have already shown keen activity in the export business, attacking markets which United States and Canadian dealers formerly considered their safety valve for distribution.

In 1920, according to Commerce Reports published by the United States Department of Commerce, the United States held 73 per cent. of the automotive export trade of the world, and Canada 9.8 per cent., leaving less than 18 per cent. to the other producing countries combined. The situation, however, has changed. During the first six months of 1924, the United States held about 54 per cent. and Canada 17 per cent. of the world trade, while the other countries increased their share to about 30 per cent. The situation is thus summed up by the Department of Commerce (U. S.):

Nine countries make up the principal automobile production areas of the world. They are the United States, Canada, France, Italy, United Kingdom, Germany, Belgium, Netherlands, and Austria The latest compiliations of figures, those covering the first six months of 1924, show facts worthy of close study. Every producing area has increased its share in export trade, as compared with 1923, with the exception of Canada, Italy, Germany, and Austria; but of these four exceptions, only Canada and Germany have shown a material decrease.

Actual figures, instead of percentages, point the moral even more clearly. In round numbers, the United States in the first half of 1924 shipped 94,000 cars, trucks, and chassis, as against 151,000 in the whole of 1923; Canada shipped 30,000, against 69,000 in 1923. But France exported 24,000 in these six months, as contrasted with 30,000 in the entire year 1923; and the United Kingdom advanced even further, shipping 6,000 in six months the past year as against 5,000 in 12 months in 1923. Belgium also exported almost exactly the same number in the first half of 1924 as in all of the preceding year, and the Netherlands extended its shipments in these dissimilar periods by 250 per cent. —many of these increases, be it said, however, were the products of the foreign assembly plants of an American company.

A comparative table giving the combined exports of passenger cars, trucks, and chassis (in some of the countries treated the figures for these various classes cannot be separated) will prove this point.

GROWTH OF WORLD'S TRADE IN MOTOR VEHICLES
(Cars, trucks and chassis combined)

Country exp'rt'g.	1920 No.	1920 %	1923 No.	1923 %	1924 (first six months) No.	1924 (first six months) %
U. S.	171,644	73.0	151,894	52.9	94,863	53.9
Canada	23,012	9.8	69,920	24.3	30,898	17.6
France	*	...	30,924	10.8	24,534	13.9
Italy	11,320	4.8	12,773	4.4	8,244	4.7
U. King.	8,433	3.5	5,474	1.9	6,126	3.5
Germany	17,486	7.5	5,754	2.0	1,218	.7
Belgium	1,879	.8	8,281	2.9	8,300	4.7
Netherlands	361	.2	288	.1	708	.4
Austria	977	.4	.....	.7	1,082	.6

GOVERNMENT IS FINANCING MANY LOSING VENTURES

(Continued from page 1)

doubtful business for the government.

To some extent taxes are high in this country because of the fact that a number of those having bankrupt enterprises on their hands have been able to convince governments that if they did not come to their rescue and prevent a crash the public credit would be irretrievably damaged. In the United States governments have not been influenced to nearly the same extent by this argument.

The United States is able to reduce taxes because, for one reason, it has been able to cut out every loss but one, that is for the shipping board. Outside of this, taxes do not go to make up losses. The Americans will insist on a thing paying or they drop it.

Paying Their Way

The United States also makes some of its departments pay their way and even yield a profit. The Department of State is a good example of this. On every bill of goods shipped into the United States it makes the exporter pay a small tax, which does not hurt anybody, but the result is that between this and other sources of revenue this department, which has charge of the foreign and diplomatic relations of the United States, actually turns in a profit to the treasury. In this country our trade and diplomatic services are a charge on the public, and are not expected to be anything else.

There is something in the charge that the Treasury loses money because possibly a billion dollars of Victory bonds are free of income taxes. If they were taxed they would bring in quite a sum; but as compared with the situation as exists in the United States, Canada is mighty well off in this respect. Our tax-free bonds are only a flea bite to theirs. Ours are confined to certain war issues, whereas in the United States hundreds of millions of state and municipal, tax-free bonds are being issued every year and the federal government can't collect on them.

All Canadian Mining Areas Close to Sources of Water Power

Every Province Where Mining is Carried On Has Great Waterfalls Now Developed or Ready for Development—Much Cheaper Power Needed in Mining

The theory is often advanced that Canada is likely to become the leading mineral producing country of the world, and considerable ground for this assumption is found in the fact that she contains 16 per cent. of the world's known coal reserves, has greater asbestos, nickel, and cobalt deposits than any other country, and ranks third in the production of gold; while the diversity of her mineral endowment is indicated by the fact that the three main mineral divisions, metallic, nonmetallic, and structural, and clay products include some 60 principal items, 17 of which had, in 1923, a production value of $1,000,000, or over. These leading products are listed below in order of value, viz:—

1. Coal.
2. Gold.
3. Nickel.
4. Portland Cement.
5. Copper.
6. Silver.
7. Clay Products.
8. Lead.
9. Asbestos.
10. Natural Gas.
11. Stone.
12. Zinc.
13. Lime.
14. Cobalt.
15. Sand and Gravel.
16. Gypsum.
17. Salt.

Power in All Parts

From the point of view of minerals and the development of mining, Canada may be divided into five main areas: the Maritime Provinces, Quebec, Ontario, the Prairie Provinces and British Columbia and the Yukon, and each of these areas possesses large resources of water power, developed or available for development, for mining. With the exception of some of the coal fields of the Central Plains there is no mineralized area for which ample water power cannot be made available. This is particularly the case in Ontario and Quebec, which being situated in the acute fuel area of Canada, would be almost entirely dependent upon coal imported from the United States were it not for hydraulic power.

In every branch of the mining industry, from the preliminary drilling to the final refinement of the product, large amounts of power are necessary, available as required, and when it is stated that in the comparatively simple mining operations involved in the recovery of coal as much as 10 per cent. of the product may be used in developing the necessary power, the importance of low priced power at once becomes apparent. In many cases large scale operations, which alone make the difference between profit and loss, are only made possible by abundant supplies of low priced hydraulic power. Many mines on account of their geographical location would find the cost of rail haul on fuel or untreated ore prohibitive, but with hydraulic power profitable operation has been possible and much low grade material has been given commercial value. The fact that the coal mines, where possible, are abandoning that super-economy in the generation of electricity from fuel, pit head power production, in favor of hydro-electricity, is the strongest proof of the necessity of cheap power and that this is furnished by hydro-power.

Power in Prospecting Areas

The country extending from Labrador on the east, enclosing the Hudson Bay basin, and referred to as the Laurentian Plateau region, consists of a huge U-shaped area of pre-Cambrian rocks, estimated to cover 2,000,000 square miles, or over one-half of Canada. This region occupies nearly all but the most southerly portions of Quebec, Ontario and Manitoba, and as the pre-Cambrian rocks yare remarkable for the variety of their mineral deposits, there is little doubt that the advance of settlement and prospecting will uncover deposits of great value. This would seem to be verified by the recent gold discoveries in Rouyn and adjacent townships in Quebec and the Flin-Flon and Schist lakes gold and copper-zinc-sulphide deposits in Manitoba. The North West Territories are also believed to possess great latent mineral resources.

The principal uses of power in mining are for compressing air for drilling; driving motors or engines for hoisting; haulage of ore above and below ground; driving ore crushers and conveyors; pumping for water supply and for the removal of ground water; lighting; heating; ventilating; signalling; machine, blacksmith and framing shops; and for various electro-metallurgical processes. Even in the comparatively simple mining processes involved in the recovery of coal as much as 10 per cent. of the product may be consumed in generating the power required. The following table shows the amount of power used in the principal divisions of the industry and the power in each division as at January 1, 1924:

Total Power Used

	Fuel Power h.p.	Water Power Gener. h.p.	Water Power Purch. h.p.	Total Power h.p.
Metal mining	32,700	26,000	111,700	170,400
Coal mining	160,900	15,300	15,000	191,200
Non-metal mining	29,500	1,100	62,200	92,800
Structural material and clay products	12,800	2,000	44,300	59,100
Total	235,900	44,400	233,200	513,500

A conservative estimate of the capital investment necessary to develop this power is $74,000,000.

Branch Banking in the U.S.

How the Canadian Idea Has Been Adopted in California and is Spreading Over the Country

The factors which have brought about the system of metropolitan branch banking in California have already been analyzed. Similar development is found in other states, notably New York. In the growth of "zone banking," California has had a unique development. It is in this field especially, therefore, that the California experience is of greatest interest.

Among the economic causes which have had a part in the success of branch banking is the ability of branch banks to make larger loans than can purely local banks. The producers of California no longer market their own crops in small lots. Co-operative marketing has brought together the producers in large economic units. This means that the size of a single loan required in fruit-growing sections is too great for the country bank to handle. In Fresno, e. g., a bank with $1,000,000 capital and surplus would be regarded as a fairly large bank. But the law limits an individual loan by a bank of this capital to $100,000. Fresno is the centre of the raisin industry and has other important fruit-packing industries. The co-operative growers' associations have divided their banking business among the banks of the community, but even under these conditions the demand upon each bank far exceeds the loan limit of the ordinary local bank. The branches of the large systems which have extended into that section, on the other hand, may loan, upon proper security, any amount which the head office is allowed by law to loan to the same borrower. Under the branch system, therefore, borrowers in Fresno have direct connection with the largest banks of San Francisco and Los Angeles. The same condition prevails in other cities. The Bank of California, National Association, has capital and surplus of over $17,000,000 which gives it a loan limit of over $1,700,000. This great loaning power is a tremendous advantage to it in financing large grain shipments.

Moreover, there are seasonal demands which local banks are unable to take care of from their own resources. In the past they have called upon their city correspondents for assistance in carrying these loans. More recently the rediscount privileges of the Federal Reserve System have also been available for the same purpose. In this respect a branch system has some advantage in that it can shift funds from sluggish to active communities.

Favorable for Borrowers

A further advantage which the advocates of branch banks have claimed for the system is the ability to offer more favorable interest rates to borrowers. The general tendency in rural communities is to keep the rate of interest fixed at a point which is almost invariable regardless of conditions in the general money market. Fluctuations in interest rates and differences in rates upon different classes of paper are uncommon. When a city bank acquires a branch in a rural town or city it conforms its loaning policy in general to that in use in the main office. In some communities in California the immediate effect of the establishment of a branch has been to reduce interest rates for the better class of loans. Whether or not this has been solely to attract new business and will be discontinued when the business has been built up cannot now be predicted.

A branch bank also has certain advantages in the assembling and interpreting of credit information. The responsibility for the loaning policy is centralized in the hands of a few men who are expert bankers. Small country banks cannot secure the information that is available in large institutions. Frequently its officers are not skilled in analyzing a borrower's statement. Under the branch system local managers must of necessity be allowed a large amount of discretion in the making of loans. But these men are either carefully trained at the main office before being trusted with this responsibility or they are men of tested banking experience who were retained when the parent bank took over an institution that was already established.

Better Credit Control

It is believed by some students that better credit control is possible in time of stress through a system of branch banking. Professor J. F. Johnson has pointed out that the unity of the Canadian system enabled the banks to better prepare for the crisis of 1907. In Canada there was a gradual contraction of loans after June 1 and no panic was felt in the fall although conditions there and in the United States were substantially the same. Professor E. R. A. Seligman, at the last meeting of the American Economic Association expressed the opinion that credit inflation when nearing the crest of a boom period can best be controlled by the substitution of branch banking for the present competitive conditions among the thirty thousand American banks. The Federal Reserve System has demonstrated its ability to meet a more serious situation than confronted the banks in 1907. It is believed that panic control has thus been attained but this does not mean that periods of stress will not be experienced. California's branch system is not sufficiently universal to form the basis for any valid conclusion upon this point. During the past two years only two state banks have closed and one of these has been reopened upon an entirely solvent basis but favorable economic conditions rather than branch banking appear to account for this splendid record.

The advocates of branch banking hold that the depositor is better protected by a branch system. Adverse local conditions which might wreck a single bank would not cause the failure of the entire system. It is unquestionably true that many bank failures are of small banks and would be prevented by a branch system. It is also true that should a failure occur in a branch system the consequences would be more serious and far-reaching. Internal examinations are essential in a branch system and ably supplement the scrutiny of the public supervisorial authority. Burglary and hold-ups are less likely to occur at a branch since surplus cash and all bond investments are held in the vaults of the head office.

Objections to Branch Banking

The question of personnel is crucial in any branch banking system. At this point American experience has little to offer as yet and conditions here are so unlike those in foreign systems that we cannot safely draw conclusions from elsewhere. The young man who enters the service of a bank in England or Canada expects to go wherever he may be sent in the line of service. The assistant manager of an American branch of a Canadian bank informed the writer that he has already served in half-a-dozen different branches in his progress to his present position. No such tradition has been built up among American bank employees.

The bankers' organizations have considerable difficulty in getting men in the San Francisco bank to accept appointments in the northern branches, even when the salary was enough higher to warrant the change. The banks operating branches throughout California do not appear to have found any difficulty in taking care of the situation up to the present time. Many of the local branches are manned by the staff already in charge when the institutions were taken over, but no difficulty has been experienced when it has been necessary to transfer men from the larger offices to manage local banks. The test will come when the management must be recruited from men who have not proved their fitness by the successful conduct of independent banks. The supporters of branch banking hold that a branch system offers the ambitious young man superior training and opportunity for advancement. They anticipate, therefore, that better bank management will result from the spread of branch banking.

One of the strongest popular objections to branch banking is the fear of concentration of financial resources. Larger banking units are inevitable under a branch system but it does not follow that monopoly of banking will result. Canada has not experienced this condition and there is no indication of a banking monopoly in California. At present stock in the larger branch systems is widely distributed. The stockholders in local banks have been encouraged to exchange their stock for stock in the larger system. On the other hand it is probably true that local stockholders have little actual direction of the bank's affairs, since their holdings, even if large in the bank which was absorbed, constitute a small minority in the large branch system. Moreover, it appears likely that the amount of locally owned stock will decrease as time passes.

This fear of centralized control of banking resources has been increased in California by the possibility of indirectly combining banking with other industrial and commercial enterprises. Several of the larger banks with branches have organized subsidiary corporations which are owned by the same stockholders. Since these corporations are not chartered under the Bank Act they have wider latitude in the range of business activities which they may carry on. One of the larger banks earlier engaged in the insurance business by means of its auxiliary operation. This action met outside opposition and has been discontinued. The present tendency, therefore, appears to be to continue the activities of the subsidiary organization to facilitating strictly banking functions. They may be used to assist in the acquisition of additional branches, to hold real estate, to take over doubtful assets, thus enabling the bank to charge off the same, and to operate the bond and investment department of the bank. The possibility of creating such a corporation is not confined to a bank with branches, and it is not essential to branch banking. The connection between the two, however, has contributed to the opposition to branch banks on the ground that it will inevitably result in financial concentration.

Local Pride Idea

Branch banking encounters strong opposition based upon local pride and sentiment. The American system of unit banks with close personal interest in local development and an intimate personal feeling between banker and client have doubtless been powerful factors in the development of the United States. The fear that this will be lost through a branch system and the needs of the community sacrificed in order to meet the demands of enterprises fostered by the main bank is deep-seated. The local banker is a permanent resident in the community in contrast to the branch manager who may stay only a few months or years.

Closely connected with this argument is the contention that funds will be drained from the country to the city. In Canada the banks have shifted money from the older eastern communities to the western provinces where higher interest rates prevail. In California there is no marked tendency in either direction. Country banks in the United States have learned the possibilities of buying commercial paper and utilize this outlet for all their loanable funds. They also look to city correspondents and the Federal Reserve banks to assist in meeting seasonable local demands. Some banks are almost constantly owners of large amounts of outside paper and bond investments. Others find it necessary to rediscount rather frequently. The same conditions prevail in the branch systems of California. Some branches usually have more deposits than local loans; others are constantly debtor to the head office. In still others there are seasonal shiftings. If anything the branch system appears to have facilitated the placing of funds where the most active demand exists.

Branch banking has inevitably tended to disrupt existing correspondent relations between banks. Usually the bank which is absorbed into a branch system has not been a correspondent of the bank of which it becomes a part. In so far as the city banks have specialized in country bank accounts they will lose part of their business, unless they, too, establish branches. Country banks in the producing sections have usually maintained correspondent relations with banks in San Francisco, Los Angeles, and often in eastern cities. It is possible that the change in correspondent arrangements will work adversely in the matter of securing funds to meet seasonable demands. In any event it raises the question of how the city generally opposed branch banking.

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Bank of Toronto Annual Report Very Satisfactory

The Annual Meeting of the Shareholders of The Bank of Toronto Was Held Wednesday, January 14th, at the Head Office, Toronto. The Addresses of the President, Mr. W. G. Gooderham, and of Mr. John R. Lamb, General Manager, Were Given as follows:

PRESIDENT'S ADDRESS

Foreign Situation

The outstanding feature of the past year is the improved outlook abroad. While it will be many years before European nations which were engaged in the war show substantial recovery, at least a forward attitude has been taken and a start made.

Investors, chiefly in the United Kingdom and in the United States, have responded to the better sentiment, and have extended substantial credits to Austria, Germany, France and Belgium. While smooth sailing cannot be expected, we can look forward hopefully to a steady, if slow, approach to business and financial stability in Europe. The only important countries showing no improvement during the year are Russia and China.

Canada

The home situation has also its bright spots, notably the improvement in the position of agriculture. The money value of field crops for the year is estimated at over nine hundred and forty-eight million dollars which is about fifty million dollars better than 1923. The products of the farm now approach more nearly to an even basis of exchange than has been the case for some years, and except in certain districts of the West where crops have not been good the farmer has greatly improved his position This is reflected at our country branches in the liquidation of debts, and also in an increase in deposits. It is true that the farmer is not spending his gains freely, but a policy of economy is to be commended and in the end will work out to the advantage of his own and other classes of business.

Our favorable balance of trade is a source of satisfaction. Our exports for 1924 show a gain of 132 per cent. over 1914, while imports have increased in the same period only 44 per cent. The trade balance in our favor for the twelve months ending 30th November last was two hundred and fifty-seven million dollars, which compares with an unfavorable balance of one hundred and sixty-three million dollars for the fiscal year 1914.

We must, of course, bear in mind that as a debtor country it is necessary for us to maintain an excess of exports over imports. It is the only way in which we can provide for our invisible imports, including interest on our outside debts, dividends on Canadian investments held in other countries, and the expenditures of our people in foreign travel. If we fall short we must borrow outside.

While domestic business as a whole has not been good, we feel that the worst is past, and that any change will now be for the better.

It has been said that this is Canada's Century, and if the country is given a fair chance we have no doubt it will be. We believe it is essential, however, to stop spending money on capital account for a time, except for purposes immediately necessary, and as far as possible immediately productive.

Our debt obligations, Government and Municipal, have been estimated at over four billion dollars, and the total is rolling up year by year, entirely out of line with the increase in population. The result is apparent in continued high living and operating costs and small profits in nearly all lines of business, including farming. If it goes on the predictions of the pessimists may yet be justified. It is true that the bulk of our public obligations are held at home, but too much is often made of this fact. Wherever our securities may be, interest and sinking funds must be earned if the credit of the country is to be maintained.

Gold Basis

There is a demand from some quarters for a return to the gold basis by the removal of the existing embargo on the export of gold. We believe it will be time enough to take this step when we have demonstrated our ability to keep our exchange at par. In the meantime we are under no serious disadvantage.

Foreign Competition

Foreign competition in manufactured goods is likely to increase and to become one of the acute problems of the future. Already some of our industries are seriously affected. We have no grief for the industry which is not operating efficiently or which seeks an undue profit, but no section of the people will benefit permanently through the elimination of legitimate and well-conducted enterprises employing Canadian labor and creating a home market, which is the best of all markets. The subject is one which appears to call for the most careful non-partisan study.

Minerals

There is evidence of increasing interest in mineral production in the northern sections of both the Provinces of Ontario and Quebec, with the possibility of a considerable increase in Capital Investment in these undeveloped resources, the extent of which only continued exploration and development can ascertain.

The production of gold by the large mining enterprises now operating is steadily increasing.

One cannot hazard a guess as to what developments in these districts are before us, but without doubt there is a vast expenditure in wages annually and a constant increase in employment. The mines add greatly to the country's wealth and provide a valuable market for the manufactures of our industrial centres.

Immigration

Immigration, for whatever reason, has again been disappointing. A few years ago it was freely predicted that following the ravages and unsettlement created by the war in Europe, immigration would flow to Canada. This has not yet come about to a satisfactory extent, possibly because we may not yet be following the best plan in our efforts to induce settlement in this country. There can be no doubt that the magnificent natural resources of Canada give ample opportunity to those who are willing to work out their own future, but we cannot hope for satisfactory immigration unless we are prepared under a well-organized plan to properly select and direct the efforts of those who seek citizenship in Canada.

Bank Mergers

Two bank mergers have been announced during the year, which will reduce the number of chartered banks to twelve—still quite enough to provide all the competition desirable, and more.

There has certainly been excessive rivalry in the banking field during the past twenty years, resulting in unnecessary duplication of banking services. Over-competition in any line of business is bad, but it is worse in banking than elsewhere. The practice of bidding for business follows, involving in some cases, a departure from good banking—in the direction of excessive advances on inadequate security—almost invariably a bad thing for both borrower and lender. If the combinations which have taken place during the last few years enable banking credits to be placed on a better footing, with better earnings and smaller losses, only good can result, not only to bank shareholders but to the general public.

Our Progress

Our own progress, as you will see from the statement, is steady if not spectacular. While our dividend is modest, we continue to earn it by a comfortable margin, and it is a pleasure and satisfaction to know that through these difficult times we have been able not only to maintain the strength of our position, but to add to it from year to year.

Our Rest and Surplus, as published, also our Contingent Funds, after providing for losses incurred and anticipated, stand to-day at the highest point in our history.

We regret that our esteemed Vice-President, Mr. Henderson, is unable to be with us to-day. Mr. Henderson has been in ill-health for some months, as most of you know. Although he is now much better, it was considered inadvisable for him to come down to the meeting. We hope he will be in his usual place next year.

Before moving the adoption of the Report, I will ask the General Manager to address you, giving you more particular information with regard to the important items in the statement which has been submitted to you.

GENERAL MANAGER'S ADDRESS

The statement which has been placed in your hands reports the results of our operations for the year, and I need refer but briefly to the principal items making up the assets and liabilities. Such changes as appear in our position are all satisfactory, and profits, although slightly less than last year, are not materially changed, and were adequate to provide for all requirements and something over.

Deposits

We are pleased to report a substantial increase in Deposits, particularly as this increase is largely in Savings, this department showing a growth for the period of over $4,400,000, a higher percentage of increase than the average of all the Banks for the period. This increase in our Savings Deposits is accompanied by a large increase in the number of our depositors. There is probably no other development in our business that gives us greater satisfaction than this evidence that the standing of the Bank and the service which our staff is giving to our clients from day to day brings to us each year a goodly number of new friends.

Liquid Assets

You will note that our quick assets, made up of cash, exchanges, securities, call loans, and short loans (not over thirty days) secured by stocks and bonds, stand at over $48,000,000, or 52.62% of all liabilities to the public. We do not include in quick assets, advances against bonds or stocks which are not regularly quoted in some market. Advances secured, or partly secured, by stocks or bonds of private companies (with us not many nor important) are included with Commercial Loans.

Our Call Loans are largely against Government and Municipal bonds, and are amply margined.

Our own investments in securities are 92% Government and Municipal Bonds, and are all sound and sweet. Under ordinary conditions these securities can be liquidated to the last dollar, almost over night. Our investments stand in our books at cost or less, and substantially under present market values.

Commercial Loans

Other Current Loans and Discounts in Canada, after making full provision for all bad and doubtful debts, stand at $50,478,000, an increase of approximately $2,000,000.

It is in the department of Commercial Loans that losses occur, and we do not escape scot-free. Such losses as we have encountered, however, have not been heavy, and our advance provision has been ample in each case.

Bank Premises

We are never done spending money under this head, but this year, as last, our expenditure has been less than the amount written off, enabling us to show a fair reduction.

Profits

Our profits were satisfactory as banking profits go. The gross was higher, but unfortunately this applies also to expenses, the net result being some $16,000 less than the previous year.

Like most, if not all other lines of business, the banks are working under greatly increased operating costs, compared with a few years ago. Staff salaries on the average are much increased, although not yet too high. The cost of building is still almost prohibitive, rentals are usually increased as leases fall in; supplies and equipment all along the line cost 50% to 100% more than ten years ago, and we are shining marks for taxation. Our taxes, in fact, other than on premises, including income taxes, increased over six times during the last few years and now amount to over 3% on our capital. The levies on premises have also increased, and the two together are now over 6% of our capital. We are, of course, quite prepared to pay our share, but we are afraid that banks are sometimes singled out for special attention by taxation authorities.

We have not, so far, passed on to the public any appreciable amount of these increased costs. If bank customers will make a comparison for themselves they will see that charges for banking services are just about the same as ten or fifteen years ago. We think the public do not always realize the extent of work performed, apart altogether from taking deposits and lending money.

We act as an immense collecting agency and Clearing House for all the financial business of the country, providing extensive facilities and accepting large responsibilities. On the present scale of costs much of this indispensable service is performed without profit, even at an out-of-pocket loss. It is therefore to be expected that banks will presently find it necessary to pass on to the public some percentage of their increased costs.

General

While we ourselves have had a reasonably good year, business conditions in general leave much to be desired. Trade on the whole is not satisfactory. Many industries have been and still are marking time. Even where volume is fair, profits in many lines are inadequate or absent.

Yet the present dullness in trade is but the natural aftermath of inflation and over-expansion, and affords no ground for depression or lack of confidence in the future. The favorable factors surely outweigh those that are unfavorable. Although our population is small, our per capita production is high. Water-power development per capita the greatest in the world. We are rapidly coming to the front in minerals. We can double our farming population and still have room. Immigration must and will flow to us because no other country offers greater opportunities, and we are still the last West. Unlike older countries, Canada is blessed with a very wide area and great natural resources capable of the production of enormous quantities of raw materials and manufacturered products. There can be no doubt that with hard work, accompanied by the resourcefulness and initiative for which Canadian people are noted, Canada will eventually take her place as one of the great and prosperous countries of the world.

Inspection

The Head Office and Branches have been inspected during the year by our own staff, and your Auditors, Mr. D. McK. McClelland, of Price, Waterhouse and Company, and Mr. J. J. Robson, of Robson and Ritchie, Montreal, whose certificate is appended to the statement have made a very thorough examination and enquiry into our affairs.

Staff

I again have pleasure in referring to the good work of the staff. We receive letters from all over the country commending their work and their attitude to the public, sometimes in almost extravagant terms. The right spirit exists and is reflected in the friendly relationships which exist with our customers, and in the growth of our business. Nothing gives me greater satisfaction and pleasure than to be able to make this statement in all sincerity, and in this way to formally express the appreciation of the management.

In speaking of the staff I would take a moment of your time to refer to the passing of the late Mr. Mortimer Atkinson, formerly our Manager at Brockville, whose death occurred in August of last year.

Possessed of a happy disposition and a sense of humour, he was one of the most useful, and certainly the most popular Manager of his time. His heart was in his work, and I think it only right that I should recall his name and speak a word of appreciation at this meeting.

THE BANK OF TORONTO

SIXTY-NINTH ANNUAL GENERAL REPORT

PROFIT AND LOSS ACCOUNT

The Balance at credit of Profit and Loss, on 30th November, 1923, was		$1,170,911.02
The Net Profits for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest accrued on deposits and rebate on current discounts, amounted to the sum of		968,204.68
		$2,139,115.70
This sum has been appropriated as follows:—		
Dividends Nos. 170, 171, 172, 173 at 12 per cent		$600,000.00
Tax on Circulation	$ 50,000.00	
Reserve for Accrued Taxes	50,000.00	
Transferred to Officers' Pension Fund	50,000.00	
Written off Bank Premises	150,000.00	
		300,000.00
Carried forward to next year		1,239,115.70
		$2,139,115.70

GENERAL STATEMENT
29TH NOVEMBER, 1924

LIABILITIES

Notes of the Bank in Circulation		$7,926,217.00
Deposits bearing interest, including interest accrued to to date of statement	$61,900,391.50	
Deposits not bearing interest	15,831,370.02	
		77,731,761.52
Balances due to other Banks in Canada (daily exchanges)	2,491,862.81	
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	1,531,796.20	
		4,023,659.01
Quarterly Dividend, payable 1st December, 1924	150,000.00	
Dividends Unpaid	1,910.00	
		151,910.00
Letters of Credit outstanding		1,295,123.26
Liabilities not included in the foregoing		141,110.94
		$91,269,781.73
Capital paid up	$5,000,000.00	
Rest	6,000,000.00	
Balance of Profit and Loss Account carried forward	1,239,115.70	
		12,239,115.70
		$103,508,897.43

ASSETS

Current Gold and Silver coin	$ 986,168.88	
Dominion Notes	6,825,319.00	
Deposit in the Central Gold Reserves	2,500,000.00	
Deposit with the Minister for the purposes of the Circulation Fund	255,033.25	
Notes of other Banks	529,550.00	
United States and other foreign currencies	79,853.65	
Cheques on other Banks	6,689,221.09	
Balances due by Banks and banking correspondents elsewhere than in Canada	1,417,440.09	
Dominion and Provincial Government Securities, not exceeding market value	15,359,889.61	
Canadian Municipal Securities and British, foreign and colonial public Securities other than Canadian not exceeding market value	5,816,199.95	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	1,318,740.56	
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	6,256,527.06	
		$48,033,943.14
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful Debts	$50,478,616.28	
Non-Current Loans (estimated loss provided for)	253,294.98	
		50,731,911.26
Mortgages on Real Estate Sold		94,319.23
Liabilities of Customers under Letters of Credit, as per contra		1,295,123.26
Bank Premises, at not more than cost, less amounts written off		3,353,600.54
		$103,508,897.43

W. G. GOODERHAM, *President.*

JOHN R. LAMB, *General Manager.*

TORONTO, *29 November*, 1924.

AUDITOR'S REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and certify that the above statement of liabilities and assets as at 29th November, 1924, is in accordance therewith and in our opinion discloses the true condition of the Bank. The Bank's investments and the securities and cash on hand at the Head Office and at the Toronto and Montreal Branches were verified by us as at 29th November, 1924. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

D. McK. McCLELLAND
of the firm of Price, Waterhouse & Co.

JNO. J. ROBSON
of the firm of Robson, Ritchie & Co.

TORONTO, 22nd December, 1924.

The following Directors were elected: W. G. Gooderham, William Stone, John Macdonald, Lieut.-Col. A. E. Gooderham, Joseph Henderson, Brig.-Gen. F. S. Meighen, Col. William I. Gear, Paul J. Myler, A. H. Campbell, John I. McFarland, James D. Chaplin, M.P., and Thos. F. How.

At a meeting of the new Board, Mr. W. G. Gooderham was re-elected President and Mr. Joseph Henderson Vice-President.

HIGH YIELDS AND SAFETY MAKE REAL ESTATE BONDS GOOD

Analysis of Main Features of Such Issues

Attractiveness of these bonds lies mostly in their high yields and their safety, says Moody's Investors' Service. They yield from ½ point to 1 point or more than ordinary corporation bonds of equal safety; and this is the result of their local character. Because of being local, their yields do not strongly gravitate toward the general average of the yields of railway and industrial bonds floated in the big monetary centres. With high class bonds of the ordinary type netting 3½ to 5 per cent., real estate mortgages or bonds will often net 4 to 6 per cent. Indeed, during 1922, when the general average price of capital was 6⅛ to 6½ per cent., many safe real estate bonds yielded from 6½ to 7 per cent.

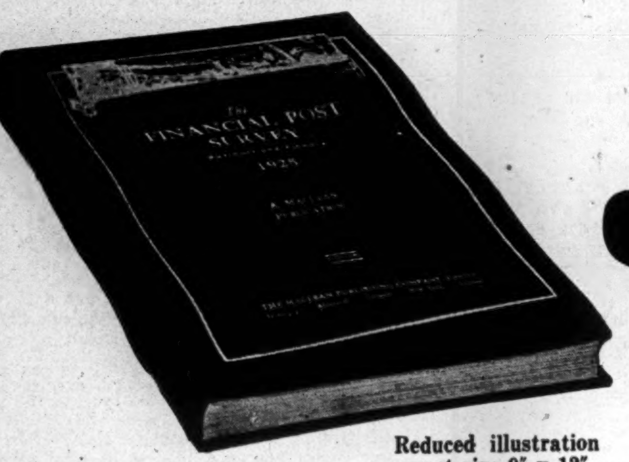
Aside from mortgages and guaranteed mortgages themselves, there are several types of real estate bonds which are offered to investors. One is the bond issued against a mortgage deposited in the hands of a trustee, and drawn in favor of the trustee. Another is the bond issued against guaranteed mortgages deposited in the hands of a trustee—the mortgages being guaranteed by a title insurance or mortgage guaranty company. These two types are highly desirable. A third type is a bond which is a direct first lien on the real estate itself, and is secured pro rata by a trust mortgage recorded in the office of the county clerk or recorder. We know of no legal objection to this form, since the mortgage is made to the trustee; but it is important that the trustee should be in fact affiliated in interests with the bond-holders. Indeed either guaranteed mortgages or any of these forms of real estate bonds are sound investments, provided only the physical value is actually behind the bonds and full legal protection is given to the bond-holders.

The face amount of the bonds issued should ordinarily not exceed 50 per cent. to 66 2/3 per cent. of the true value of the real estate. A well-known dealer in guaranteed mortgages has adopted by-laws limiting such mortgages to two-thirds of the valuation of improved real estate. Legal restrictions, where they prevail, seldom specify over 66 2/3 per cent., and are often as low as 60, 50 or even 40 per cent. These liberal margins are needed to cover risks in cases of foreclosure. In such cases delinquent taxes, court costs, attorneys' fees, commissions, and the like vary from 10 per cent. to 40 per cent. of the face value of the loan. The margin needed varies, of course, with local conditions; and a loan of 66 2/3 in productive down-town real estate might easily be more conservative than a loan of 40 per cent. on unproductive or doubtful property.

Investors will find no difficulty in selecting good real estate bonds if they apply a few simple rules to the offering circulars, and the attitude of the vendors. There is no better security in the world than a high-grade real estate bond; and where the offering circular frankly shows the valuation of land and buildings, naming the appraisers; discloses that some well-known bank or trust company is the trustee; shows that the bondholders' funds are covered by the mortgage during the construction period; and indicates by the ratio of property value to bond issue that the margin of security is ample—then it is safe to assume from the circular alone that the bond is high grade.

HUNTERS' GOOD SEASON

FREDERICTON, N. B.—Fifteen hundred moose and 3,200 deer were killed by hunters in New Brunswick during the game season of 1924, according to a compilation completed by the chief game warden from returns so far available.



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To make sure that you secure a copy—the edition is, naturally, limited—to be sure that you will secure your copy promptly, we ask that you act promptly. As a reader of *The Financial Post,* you will, we are sure, recognize that this undertaking, in which we take pride, is well worthy of your interest. And we urge again that you take advantage promptly of one or other of the plans suggested on the coupon attached.

As a Manufacturer

You must know that prices are soundly based. You must know the location and value of raw materials. You must know of the world conditions affecting them. You must know of the distribution of population; its character, whether urban or rural; its national characteristics; you must know the local conditions affecting its prosperity. You must know something of labor conditions, power facilities, transportation. This and other information is ready to your hand.

As a Farmer

It is vital to you to know of commodity prices; to know the quantity and location of farm products that compete with your own. You must know something of railroad facilities, and rates, matters that vitally affect you. You must know of the factors that affect the prosperity of the community; they govern the prices you receive. You must know of customs and tariffs; they govern the cost of what you buy. The Survey will meet your need for business information.

As a Retailer

It is important to have an intimate understanding of the factors governing the prosperity of the section you serve. Only with such information can you safely govern your buying. You must know something of the trend of imports; they influence your prices. You must know of local production. But it is not enough to know that crops are good in your own section. The price of these crops is governed by the production in Quebec or British Columbia. The Survey will meet your every-day need for these and other details.

As An Exporter

You are interested in new markets. It is of value to you to know what we ship to Brazil, to Argentina, to China. It is of importance to you to study the year-by-year fluctuations of this business. It is of importance to know the factors—the very definite factors that govern these changes. You will find daily use for figures on production, manufactures, transportation, customs. In these and many other ways, you will find the Survey indispensable.

As a Financier

There is a constant need for authoritative figures, on business, manufacturing, mining, lumbering, pulp and paper imports and exports. Much of such information may be more or less available for you. But nowhere is it so readily available as in the Survey. Nowhere else is there such an exhaustive array of important figures, gathered from Canadian sources, collated from a Canadian viewpoint. Nowhere else is there such a complete and authoritative and accessible compendium of vital information.

As a Banker or Insurance Man

As a banker, you are not only a user of such information as is found in the Survey, but you are also a distributor. You are constantly being asked for facts and figures on various topics. It is part of the service you render. In this service it is the aim of the Survey to assist you. As an insurance man or bond salesman, you are interested in the factors governing local prosperity. You must know where sales conditions are promising. This and other information of equal moment is tabulated for your service.

As a Governmental Official

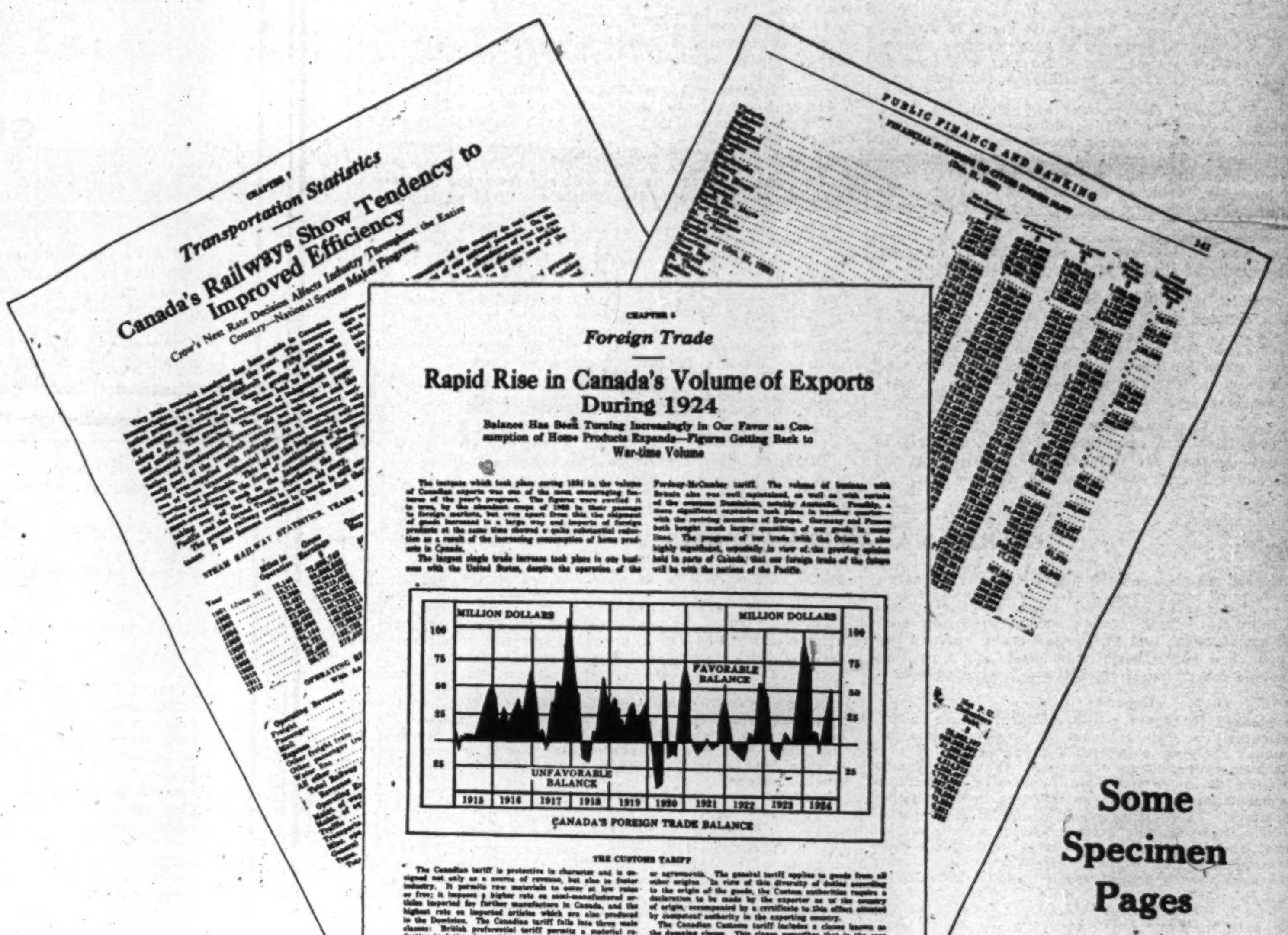
Figures are often the basis of your service. They are vital to your understanding of conditions; they are a guide to your decisions and activities. They are essential in debate; in the formulation of policies; in the government of your office. As you also are the disseminator of information to your constituents, it is worth your while to have a ready source of reference, on which you can rely.

As a Public Servant

Whether federal, provincial or municipal, or in the service of public and private utilities, there is a constant demand for accurate information readily available. There is no other source, where so much information that meets your peculiar needs, can be obtained. You will find the Survey a marvelous conserver of time and energy.

As a Well-Informed Man

Any man or woman who aims to live up to the full responsibilities of their citizenship are thereby obligated to an understanding of the factors that affect their country's interests. To be well informed does not involve the onerous task of knowing every fact; but it does imply the necessity of knowing where such facts can be obtained. In The Financial Post Survey, the vital facts regarding Canada are under your hand.



Some Specimen Pages

The Financial Post Survey

A Service Produced by Canadians, for Canadians—An Exhaustive Tabulation of Facts and Figures Pertaining to its Trade, Industry, Agriculture, Finance, Transportation, Mining and Other Factors in Canadian Prosperity.

COUPON

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